

ANNUAL REPORT 2019-2020



**SOUTH AFRICAN
LIBRARY FOR THE BLIND**

An agency of the
Department of Sports, Arts and Culture



The Board of the South African Library for the Blind is proud to present:

THE SOUTH AFRICAN LIBRARY FOR THE BLIND ANNUAL REPORT

FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

The Board and Management of the South African Library for the Blind, as the entity's Accounting Authority, submits its Annual Report to the Minister of Arts and Culture, the entity's Executive Authority - for tabling in Parliament in terms of the provisions of the Public Finance Management Act of 1999 (Act 1 of 1999) and the South African Library for the Blind Act of 1998 (Act 91 of 1998).

RP330/2020

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PART A: **GENERAL INFORMATION**



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	South African Library for the Blind
REGISTRATION NUMBER:	Not applicable
PHYSICAL ADDRESS:	112B High Street Makhanda 6139
POSTAL ADDRESS:	PO Box 115 Makhanda 6140
TELEPHONE:	+27 (0)46 622 7226
FAX:	+27 (0)46 622 4645
EMAIL:	director@salb.org.za
WEBSITE:	www.salb.org.za
EXTERNAL AUDITORS:	Auditor General South Africa
BANKERS:	Standard Bank; ABSA

2. LIST OF ABBREVIATIONS / ACRONYMS

AGSA	Auditor General of South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts & Culture
DAISY	Digital Accessible Information System
IFLA	International Federation of Library Associations
PFMA	Public Finance Management Act
MTEF	Medium Term Expenditure Framework
NDPW	National Department of Public Works
SABA	South African Braille Authority
SALB	South African Library for the Blind
TIGAR	Trusted Intermediary Global Accessible Resources
WIPO	World Intellectual Property Organisation

3. CHAIRPERSON'S REPORT: 2019/2020



The Shareholder's Compact consisting of the Library's Strategic Plan, Annual Performance Plan and various other governance documents was signed in Pretoria by the honourable Minister of Arts & Culture, Nathi

Mthetwa and Adv M Masutha

on behalf of the Board. The Compact commits the Board and Management to its fiduciary responsibilities and the achievement of set performance objectives for the year. The Board of the South African Library for the Blind monitored the implementation and progress of the Library's financial and performance related responsibilities during four meetings that took place during July, September, December 2019 and March 2020.

The Board is satisfied to report that the Management and Staff of the Library successfully achieved 17 of the 19 set objectives for the year. This is an 89% achievement rate which is in line with the five-year average performance ratings of the Library. The Library experienced severe challenges with book distribution this financial year due to service delivery failures by the South African Post Office (SAPO). The Library is highly dependent on the SAPO for the distribution of its accessible reading material to its 8,245 members across South Africa. Reading material sent between the Library and its members often took very long or in some instances did not arrive at its destination. This matter is closely monitored, and the Board and Management are in the process of exploring alternative options of book distribution for the future including a follow-up meeting with the Executive of the SAPO.

Revenue for 2019/2020 increased by 15.5% from the previous year to R41 532 000. Expenditure increased by 3.6% from the previous year to R36 863 000. The Subsidy from the Department of Arts & Culture represents 56.6% of the total expenditure. The rest of the expenditure was funded from own resources and through the Library's fundraising initiatives. The fact that revenue and expenditure is increasing annually is an indication of the vibrancy of the Library and that its services are in high demand. It is therefore important to have the required resources available to respond to reading demands of members. The Library is successful in raising money to respond to certain service delivery demands through partnerships with Provincial and Local authorities. The expansion of services on National level is dependent on the financial support by the National Department

of Arts and Culture. The current financial support by the Department is appreciated but is not allowing the Library to expand the National role as required by the Library Act. The Board urges the Department to assess its role in supporting the Library to honour its mandate and to reach more blind and visually impaired people of South Africa.

The Board is supporting Library Management in all its efforts to achieve its objectives. The relationship between the Board and Library Management is positive and open. The greatest asset of the Library is the staff of the Library. The Board appreciated the positive labour relations that exist and also notes with appreciation the healthy working relationship between management and the staff of the library. The outcome of this is the positive performance results achieved by the Library in the past financial year. The Board is committed to ensure that this productive working environment is strengthened and to guide management to sustain the positive working relationships to benefit the blind and visually impaired members of the library.

During March 2020, the Director Mr Francois Hendrikz confirmed to the Board that he will not return to work on account of his medical condition and will therefore terminate his services through the medical boarding process. Mr Yasheen Ramcharan, the Chief Financial Officer (CFO), is presently serving as Acting Director until such time as a new Director is appointed at the SALB. The responsibility of CFO is shared by Mr Neels de Lange and Mr Malibongwe Nquma in the interim. The process of filling the vacancy will begin early in the new financial period. The Board and Management of SALB wish Mr Hendrikz well and thank him for his services provided during his tenure at the Library.

With the world feeling the impact of the COVID-19 pandemic, and since the call from President Ramaphosa for everyone to adhere to lockdown five regulations towards the end of March 2020, the Management, and staff of the SALB have been responding to the national government guidelines and directives issued accordingly. Any impact on services will be carefully monitored, and members duly informed.

Adv M Masutha

Chairperson of the Board of the South African Library for the Blind

4. DIRECTOR'S REPORT: 2019/2020



The Library achieved a commendable 89% of the 19 objectives set for the year. Two of the 19 targets for the year could not be achieved i.e. to service the target amount of playback devices and to circulate the required number of books to our members. All playback devices received for service were attended to. The target will be reformulated as a qualitative target in the next Strategic Plan of the Library since the library has no control over the number of devices members send to the library to be serviced.

The second target that could not be fully achieved, was on the book circulation. The Library depends predominantly on the South African Post Office (SAPO) for the delivery of books, i.e. to our members and back to the library. Huge delays of books were experienced, and it was difficult to determine where the bottlenecks were from the SAPO. The Library understood the frustration of our members and apologised on various occasions for the delays caused by SAPO. Management will endeavour to meet with the SAPO executives and also work on alternative strategies for circulation of material. The Library already embarked on one such strategy with the appointment of an external company to improve the accessibility of the SALB Website and to develop a book downloading facility from the website.

Despite the above-mentioned challenges, the library still achieved 17 objectives. 1,148 audio and braille titles were added to the catalogue, 663 new members joined the library and 35 new Mini-Libraries were established across South Africa. All these figures are an increase compared to the previous financial year. The total membership of the library at the end of the reporting period stands at 8,245 which is a growing trend compared to the previous year.

The Director attended the annual conference of the International Federation of Library Associations (IFLA) in Greece. The theme of the Conference was - Libraries: dialogue for change. The outgoing President of IFLA Glòria Pérez-Salmerón summed up the theme by stating that libraries are regarded as motors of social change and are central in a global movement to bring meaningful access to information for all. Over 250 sessions were on the program with more than 500 speakers. 3,636 delegates from 140 countries attended the Conference. The Director attended two meetings of the Section for Libraries Serving People with Print Disabilities. Various items were addressed such as the action plan of the Section as well as the initiatives of the Accessible Book Consortium. The SALB is ranked number five

Internationally in terms of most downloads using the Book Service on behalf of our members. The Director met with two representatives of the Finnish Library Association about a project to assist the Tanzanian Library Services with setting up a library service for blind people and a production unit in Tanzania. The SALB expressed an interest to become a partner in the project. The Tanzanian Association for the Blind will be involved as well as the DAISY consortium.

Library Management and the Board would yet again like to urge the Ministers of Arts and Culture as well as Trade and Industry to lobby Government to ratify the Marrakesh Treaty. This treaty will add tremendous value to efforts aimed at ensuring equal access to information for visually impaired persons.

Each year, four blind or partially sighted learners are afforded an opportunity to visit the SALB. The learners are generally grade 11 and 12 pupils from pre-identified schools for the blind across South Africa. During a period of 1 working week in June, the pupils spend some time in each work section at the SALB to learn and experience what type of work is conducted in the respective work disciplines, e.g. Finance, HR, Braille Production, Audio Production, IT, and various other daily operations of the Library. This year, two pupils each from Khanyisa School for the Blind in Port Elizabeth and Filadelfia School for the Blind in Soshanguve visited the Library.

Management understands the importance of continuous learning and development and promotes this principle at the SALB. During the year under review, at least five staff members were engaged in formal qualification studies subsidised by the SALB; two Visually Impaired staff members received orientation/navigation training in terms of the SALB building in relation to surrounding banks, shops and other key office areas; four staff members engaged in the Finance section of the SALB attended a 2-day in-house training course on GRAP Reporting Standards, and two attended a further course on the SALB Time Management System. The Finance Clerk of the SALB was also enrolled for a short-course on Pastel Payroll. One visually impaired staff member attended two conferences - one hosted by the SA National Council for the Blind and another by the Orientation and Mobility Association of South Africa (OMASA); two other senior staff members attended conferences hosted by SITA and ASM Communications respectively. A number of our Library Information Services staff received training on the newly improved Library Management System. Due to the outbreak of the Coronavirus in South Africa and the escalation in infections during March 2020, the method of training for a planned Emotional Intelligence course during late March 2020 had to be re-evaluated. The Library procured the training manuals for the Emotional Intelligence course in the interim. Virtual interactive sessions will be arranged with staff in the new financial year to compliment the knowledge gained through studying the training manuals.

The Library appointed two staff members on the permanent establishment of the Library during the year. One employee was appointed as General Library Clerk, and another was appointed as Finance Clerk. The latter was appointed as a result of a vacancy that arose due to the unfortunate passing of a staff member in the finance section earlier in the year. Other appointments included one Mini-Library Project Coordinator for North West replacing an employee who resigned; two Interns to assist in the Library and Information Section, one visually impaired Intern to assist in the Projects section and one visually impaired contract worker to assist in the Project Section as well.

The SALB Centenary celebrations continued during the year, and the SALB successfully hosted an exhibition and concert as part of its 100 Year Celebrations. This was done in collaboration with the National Arts Festival. The SALB's Blind Date show was one of four shows which received a Standard Bank Ovation Spirit of the Fringe Award. The Award is for performers or productions whose work represented the spirit and variety of the Fringe. Around 200 people attended the two shows, and all were entertained, inspired, and moved by the show. A total of 1,136 people visited our Eye-Catching exhibition in the Pink House which is part of the Library building complex. This is a phenomenal number of people who were introduced to the artistic abilities of blind people. We also received very positive feedback from the visitors about the exhibition and the fact

that it was done in such a tasteful and informative manner. The exhibition was open for 11 days during the National Arts Festival.

The South African Library for the Blind is proud of what has been achieved over this past financial year. The SALB is a dynamic and responsive library that will respond with new and innovative service delivery options in the new year.

The end of the financial period was marred by the COVID-19 pandemic with the announcement by President Ramaphosa of a full and total lockdown of the economy of South Africa effective from midnight on 26 March 2020. This pandemic severely disrupted services and had a huge impact on life as we know it. Library Management remains committed to doing everything within its control to limit the impact of the pandemic on service delivery within the parameters of lockdown regulations and restrictions. Our members will be continuously updated on any service-related challenges and or improvements as we weather the storm of this Coronavirus.



Mr F Hendrikz
Director (Outgoing)



Mr Y Ramcharan
Acting Director

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Auditing standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2020.

Acting Chief Executive Officer



Mr Y Ramcharan
September 2020

Chairperson of the Board



Adv M Masutha
September 2020

6. STRATEGIC OVERVIEW

6.1. VISION

The South African Library for the Blind is the leading Library in Africa providing equal access to information in accessible formats that improve the quality of life of blind and visually impaired people.

6.2. MISSION

The South African Library for the Blind renders a Library and information service to blind and visually impaired people through the production of accessible South African reading material in development of a comprehensive Library collection and rendering of advisory services to promote access to information.

6.3. VALUES

The focus of the South African Library for the Blind is to make a difference and to add value to the lives of print disabled people. To make this possible, all our activities are guided by the following values:

a. Trust

We base our working relationship on honesty and integrity.

b. Respect

We respect people, time and property equally.

c. Teamwork

We work together as a dedicated and loyal team.

d. Positive attitude

We approach everything in an enthusiastic and constructive manner.

e. Communication

We communicate in a responsive, clear and appropriate manner.

f. Development

We actively support staff and infrastructure development to promote individual and organisational growth.

7. LEGISLATIVE & OTHER MANDATES

The South African Library for the Blind is recognised in Schedule 3A of The Public Finance Management Act (Act 1 of 1999) as a national public entity.

7.1 CONSTITUTIONAL MANDATE

The South African Library for the Blind's mandate is subject to and in accordance with the South African Constitution and the South Africa Library for the Blind Act 91 of 1998. It is legally committed to the values upon which the democratic South African state is founded and in particular to those of equality, human dignity, the advancement of human rights and freedoms, non-racialism, non-sexism, accountability and democracy. In addition, it strives to make a contribution to Africa by being an available resource of advice and expertise.

In support of the above, the South African Library for Blind Act 91 of 1998 mandates the Library to:

- produce documents in special mediums such as Braille and audio formats for use by its readers;
- develop standards for the production of such documents;
- research production methods and technology in the appropriate fields; and
- acquire and disseminate the technology required by people with print disabilities to read.

This mandate commits the Library to:

- maintain the quality of its Library and book production services through appropriate resources;
- expand its products and services to the print-handicapped;
- expand its collection of reading material and provide access to it;
- sustain sensitivity for the reading needs of its constituency;
- research applicable technology and Braille codes for potential application;
- develop and preserve its human resource skills base;
- maintain and develop good relations with its readers, suppliers, funders, the State and publishers; and
- expand its marketing and fund-raising program.
- the Library serves a very particular constituency and in this regard it is socially committed to strive, by its own efforts and in co-operation with others, for the removal, as far as possible, of access barriers to information; and
- to provide a quality service to meet, as fully as practicable, the information needs of all South Africans who are blind or print-handicapped.

7.2 LEGISLATIVE MANDATES

The South African Library for the Blind derives its mandate from the South African Library for the Blind Act No. 91 of 1998.

The mandate is further strengthened by complying with the following legislation:

• Public Finance Management Act:

The first and most important is full compliance with the provisions of the Public Finance Management Act and Treasury regulations. In addition, the Library's financial policies are reviewed in order to ensure continued alignment with the provisions of the Public Finance Management Act and the Treasury Regulations. The Library has a fully-operational internal audit structure.

• Employment Equity Act

After carefully considering the definition of an Organ of State, as defined in the Constitution of South Africa, we believe that the South African Library for the Blind falls under this category and is therefore required to conform to the requirements of the Employment Equity Act. Because the Library employs fewer than 150 employees, we are regarded as a small organisation in terms of the Employment Equity Act.

• Skills Development Act

Skills Development is a very important aspect in any organisation. The Skills Development Act also requires designated employers to submit formal plans on an annual basis to the relevant SETA. The South African Library for the Blind complies to this requirement.

• Promotion of Access to Information Act

The Library submitted their Section 51 Manual in terms of the Promotion of Access to Information Act to the SA Human Rights Commission during 2011. The Manual was done in English and during 2012 it was translated into Afrikaans and isiXhosa for ease of reference.

• Occupational Health & Safety Act

The Library has a Health & Safety Committee in place. The Committee functions are in line with the Act and they meet as prescribed.

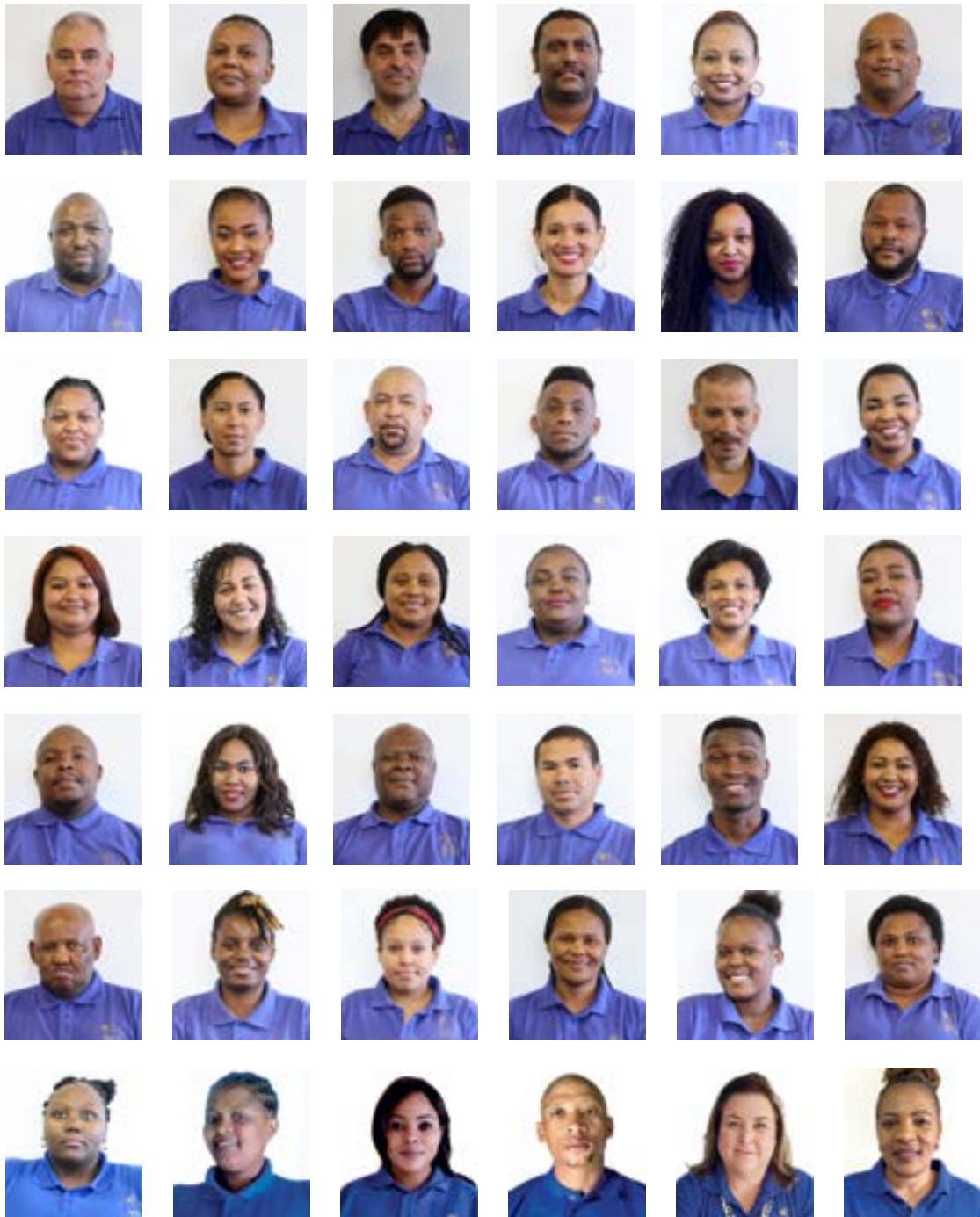
7.3 POLICY MANDATES

The Strategic Plan has been developed within the framework of the United Nations Millennium Goals, the National Priorities of the South African Government and the United Nations Convention on the Rights of Persons with Disabilities which has been signed and ratified by the South African Government.

In addition, the work of the Library is in direct support of the Vision and Mission of the Department of Arts & Culture.



9. SALB STAFF MARCH 2020



Top Row: Johan Nel, Linda Ngaleka, Neels de Lange, Yasheen Ramcharan, Pumla Mahanjana, Melton Kivitts
2nd Row: Malibongwe Nquma, Lizeka Qumza, Sithembiso Ndamase, Natasha Agnew, Mercy Thinyane, Siya Mini
3rd Row: Portia Mqeke, Petro Tarentaal, Mark Bridger, Thembelani Dzedze, Arnold Sphere, Vuyokazi Mandongana
4th Row: Charlene Prince, Elgene Fanton, Faith Williams, Florence Jadi, Patricia Magabie, Cornelia Ntengu
5th Row: Xola Kila, Xolelwa Mfanyana, Loyiso Kalashe, Llewellyn Stevens, Mzwanele Mjali, Ntombizodwa Stuurman
6th Row: Thembile Gxekwa, Hlulani Mashimbye, Hayley Loutz, Nomfuneka Melitafa, Bathandwa Daweti, Monica Bekwa
Bottom Row: Khuselwa Mzangwe, Yolelwa Mbanjwa, Mmabatho Nyamane, Lebogang Oliphant, Lydia Marques, Shobi Mudaka
Absent: Francois Hendrikz, Xolisa Mqubuli, Luke Adriaan, Likhaya Jodwana, Michael Moodie, Andrew Brooks, Noluvuyo Yona, Unathi Ngangani, Pasha Alden, Nombasa Kate, Anele Moko, Wiseman Mposula, Nobantu Ntsizwane, Sithembile Mkhize, and Jade O'Ryan.



PART B:

PERFORMANCE INFORMATION



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 44 of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

The SALB operates under Programme 6 of the activities of the Department of Arts & Culture, i.e. to facilitate full and open access to archival and information resources of South Africa.

In the SALB's case these activities are focused on the blind and visually impaired citizens of South Africa. The objectives of the Library therefore are in support of the Department of Arts & Culture's objective to guide, sustain and develop Library and information resources of South Africa so that good governance is supported, socio-economic development is sustained and citizens are empowered through full and open access to these resources. There are, however, a number of challenges facing blind and visually impaired people when it comes to access to information resources. These challenges influence the SALB in executing its core mandate and the role it plays on a broader social level. As part of strategic resource planning the Library is faced by the following challenges:

- Scarce skills
- Organisational structure
- Building constraints
- Connectivity
- National funding priority
- Expensive and imported technology
- Target market expansion
- Legal compliance funding needs
- Copyright and International access to reading material

In terms of opportunities the Library is the only one of its kind not only in South Africa but also on the African Continent. Although there are scarce skills in audio and Braille production the Library has well-trained staff to produce accessible reading material for blind and visually impaired people. The Library's content is digitised which makes it easy to distribute material nationally and internationally. The Library plays an important role in collaboration with International organisations such as the World Intellectual Property Organisation to address the lack of sharing digital book files across international borders. The Library is also a member of the International Federation of Library Associations where we share and exchange knowledge about Library service delivery to our unique market. The Library has added a third reading format to its production line, i.e. tactile books for children. This contributes to literacy and the love for reading with children. Collaboration with Provincial Library Authorities contributed to the establishment of Digital Library Service Points in various public libraries. Expanding the membership base of the Library through this Mini-Library Project is crucial to reach as many members as possible.

The Mzansi Golden Economy of DAC provides additional opportunities for the SALB specifically in skill development and employment. The SALB initiates an annual program whereby blind and visually impaired learners in Grade 11/12 have the opportunity to learn all aspects of the operations performed by the Library. Apart from receiving a stipend during the period at the Library it will expose the learners to various career options they may follow.

2.2 Organisational Environment

The Library is a National Institution with very unique functions as the only Library for the Blind in the country and on the African Continent. The Library is therefore fully dependent on itself in terms of working out its organisational challenges in terms of audio and Braille book production, training of staff in these disciplines and obtaining and making available the necessary resources to render services and products.

The Board members are Advocate Michael Masutha as the newly appointed Chair of the Board including Dr Hamilton Mphidi, Mr Mandla Buthelezi, Ms Mpelegeng Kganedi & Ms Ditaba Maraka. Mr Xolisa Yekani (Deputy Chairperson) Dr Shirlene Neerputh, Ms Elizabeth Ramaoka, Mr Nieleh Ravgee are existing board members.

The new term of the Board started in October 2019 and the new Members were introduced to the Library and briefed on their role and function during a two-day induction meeting. The Annual Performance Plan of the SALB for the 2019/2020 Financial Year was approved by the Board during September 2018.

The Library places a high value on the implementation of a comprehensive training and development plan to expand and improve the skills of Library staff and the volunteers of the Library. This is necessary because of the unique skills required by the Library.

To create jobs and to address the scarce skills challenge the Library is pursuing the implementation of an apprenticeship program for blind and visually impaired learners in Grade 11/12. This includes partnerships with other organisations for the Blind and Visually Impaired people to develop the required skills set.

A project has been registered with the Department of Public Works to redesign the Library building to accommodate its medium and long-term space needs.

The Library's functions are in support of the Vision and Mission of the Department of Arts & Culture. Through the production and distribution of accessible media to blind and visually impaired people in South Africa this target group becomes part of social cohesion, nation-building, sharing in the art and culture of South Africa and as well as its languages.

The organisational environment is limited due to the small but important market served but the challenges faced by the market are huge in terms of accessibility to reading material.

Nationally

The core performance environment of the Library is guided but not limited to the broad goals and objectives of the Department of Arts & Culture with specific reference to:

- Job creation through the planned Apprenticeship program for blind and visually impaired matriculants;
- Access to information through continued production of accessible reading material and to participate with International Organisations to allow the free exchange of book files between countries;
- Revitalizing the public libraries of South Africa through the establishment of Digital Mini-Library service points in public libraries of all the provinces in South Africa;
- Promotion of Linguistic Diversity through the production of accessible reading material in all the official languages of South Africa as well as tools in applying international rules and standards in developing training material in those languages.

In addition, the Library will consider various options to provide Internet access for our members to allow access to electronic accessible services. The Library will increase its print and electronic marketing efforts to raise its visibility and collaborate with various organisations to attract more members.

The continuously growing financial and other resource demands of the annual audits will be raised and discussed with the Board and the Office of the Auditor-General in an effort to find a solution to the challenge.

Africa

The Library will identify opportunities to promote the work done by the Library in Africa. We will pursue opportunities to form partnerships with organisations in countries with established infrastructure to render Library Services or general services to blind and Visually Impaired people. This will be done with the assistance of strategic partners, nationally and internationally.

Internationally

The Library is a member of the International Federation of Library Associations Section for Libraries Serving People with Print Disabilities. The outgoing Director was an active member of the Section. The Library is a founding member of the Accessible Book Consortium (ABC) under the auspices of the World Intellectual Property Organisation (WIPO) which is one of the specialised agencies of the United Nations. The Library is an active member of the ABC Global Book Service in terms of uploading and downloading accessible books for all international members of the Service. SALB members enjoy the benefits of over 355,000 titles accessible free from our catalogues. Library Management in association with other stakeholders such as the National Council for Library and Information Services continues to lobby the South African Government, i.e. the Department of Trade and Industry to ratify the Marrakesh Treaty. Once the Treaty is ratified it will make it possible to obtain access to titles internationally, offering a broader choice for the registered library members.

23 Key Policy Developments and Legislative changes

No Legislative or policy changes were instituted during the reporting period that affected the work of the Library.

24 Strategic Outcome Oriented Goals

The strategic goal of the Library is to render a National Library Service to blind and visually impaired people. This has been achieved during this reporting period as indicated in the following section where the performance of the various sections of the Library is explained. The Library achieved 89% out of the total of 19 objectives set for the year. The rest of the objectives were partially achieved.

3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVES - STRATEGIC OBJECTIVES

Programme 1: Administration

Sub-programme Human Resource & Support Services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on Deviations
To expand the library's Human Resource base with the appointment of 4 new staff members as full time employees by 31 March 2023	2	2	2	-	-
To engage and develop the skills of 20 blind and or visually impaired learners through an Apprenticeship Program by 31 March 2023	4	4	4	-	-
To reach out to 5 African countries to develop capacity to render Library and Information Service to blind and visually impaired people by 31 March 2023	1 (Ivory Coast)	1	1 (Tanzania)	-	-

Programme 2: Business Development

2.1: Library & Information Service

The purpose of this Programme is to develop a balanced collection of audio and Braille material in line with Copyright Legislation and to issue and receive reading material and reading devices to the members of the Library. The Programme consists of Circulation (Audio and Braille) and Cataloguing.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
To catalogue 2,970 audio book titles to the Library's collection by March 2023	612 new audio titles added to the catalogue	600	633 new audio titles added to the catalogue	33	Additional titles were catalogued over and above those produced in the current year and was within budgeted resources to be accommodated
To catalogue 2,400 Braille book titles to the Library's collection by March 2023	500 new braille titles added to the catalogue	490	515 new braille titles added to the catalogue	25	Additional titles were catalogued over and above those produced in the current year and was within budgeted resources to be accommodated.
To register 3,290 new library members by March 2023	910 members registered	660	663 members registered	3	Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated.
To establish 104 new Mini-Libraries by March 2023	33 Mini-Libraries established	32	35 Mini-Libraries established	3	Additional interest shown from partner libraries and other organisations and was within budgeted resources to be accommodated.
To circulate 642,030 reading material items by March 2023	57,774 items circulated	128,406	89,288 items circulated	-39118	Strikes and Postal delays by the Post Office was the main reason for not achieving this target. Management has been trying to arrange a meeting with Senior Management of the SA Post Office to address concerns, currently outside of control of SALB. Other delivery methods not currently financially viable.
To download 830 TIGAR files by March 2023	144 TIGAR files downloaded	100	242 TIGAR files downloaded	142	Staff gained competency in using the system and the process is more streamlined; thus, more titles were downloaded free of charge and copy right cleared. No additional resources were expended due to overachievement.

Sub-programme 2.2: Braille Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Produce 1,200 SALB Braille titles by March 2023	243 Braille titles were produced	240	241 Braille titles were produced	1	More content became available during the year to produce the additional title. This was within budgeted resources to be accommodated.
Produce 1,200 supplier Braille titles by March 2023	257 supplier titles were produced	250	250 supplier titles were produced	-	-
Produce 170 Indigenous Braille titles by March 2023*	37 new indigenous language Braille titles were produced	35	38 new indigenous language Braille titles were produced	3	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.

Sub-programme 2.3: Audio Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Produce 1,340 SALB digital audio titles by March 2023	Produced 275 newly narrated digital audio book titles	270	Produced 272 newly narrated digital audio book titles	2	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.
Process 1,630 supplier audio titles by March 2023	Processed 337 supplier audio digital titles	330	Processed 332 supplier audio digital titles	2	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.

Sub-programme 2.4: National Braille Consultancy

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
To produce 90 pre-school tactile picture books by March 2023	18 tactile books produced	18	19 tactile books produced	1	More content became available during the year to produce the additional title. This was within budgeted resources to be accommodated.
To provide training in Braille standards and facilitate the reading of tactile picture books at 20 special schools by March 2023	5	4	4	-	-
Plan and administer 10 Braille Transcriber Examinations by 2023	2 Braille examinations were administered	2	2 Braille examinations were administered	-	-

Sub-programme 2.5: Technical Services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Service 2,583 digital playback devices by March 2020*	612 players were serviced	1 323	637 players were serviced	-686	All players received for servicing were repaired. A lower number of players received from members for maintenance is a positive indicator of quality machines and good care and maintenance.
Prepare 3,250 new digital playback devices for distribution through Library Services by March 2023	1196 digital players were distributed to new Library members	650	815 digital players were distributed to Library members	165	The increased numbers relate to the additional membership registration during the year, as well as replacement players issued to existing members for the older player models that could not be repaired. This was within budgeted resources to be accommodated.

Programme 3: Public Engagement

Sub-programme - Marketing

Strategic objectives, performance indicators planned targets and actual achievements

No targets for 2019/2020 plan.

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVES - PERFORMANCE INDICATORS

Programme 1: Administration

Sub-programme - Human Resource & Support Services

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019 /2020	Actual Achievement 2019 /2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Appointment of new staff members	2	1	2	2	2	-	-
Apprenticeship program for visually impaired learners	4	4	4	4	4	-	-
African country outreach	2 (Chad and Nigeria)	1 (Malawi)	1 (Ivory Coast)	1	1 (Tanzania)	-	-

Programme 2: Business Development

Sub-programme 2.1 - Library and Information Services

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
SALB produced audio book titles catalogued	524 new audio titles added to the catalogue	590 new audio titles added to the catalogue	612 new audio titles added to the catalogue	600	633 new audio titles added to the catalogue	33	Additional titles were catalogued over and above those produced in the current year and was within budgeted resources to be accommodated.
SALB produced Braille book titles catalogued	380 new braille titles added to the catalogue	465 new braille titles added to the catalogue	500 new braille titles added to the catalogue	490	515 new braille titles added to the catalogue	25	Additional titles were catalogued over and above those produced in the current year and was within budgeted resources to be accommodated.
Library membership registration	748 members registered	818 members registered	910 members registered	660	663 members registered	3	Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated.
Mini-Library establishment	29 Mini-Libraries established	30 Mini-Libraries established	33 Mini-Libraries established	32	35 Mini-Libraries established	3	Additional interest shown from partner libraries and other organisations and was within budgeted resources to be accommodated.
Circulation of reading material	122,524 items circulated	128,816 items circulated	57,774 items circulated	128406	89,288 items circulated	-39118	Strikes and Postal delays by the Post Office was the main reason for not achieving this target. Management has been trying to arrange a meeting with Senior Management of the SA Post Office to address concerns, currently outside of control of SALB. Other delivery methods not currently financially viable.
Trusted Intermediary Global Accessible Resources (TIGAR) files downloaded	178 TIGAR files downloaded	151 TIGAR files downloaded	144 TIGAR files downloaded	100	242 TIGAR files downloaded	142	Staff gained competency in using the system and the process is more streamlined; thus, more titles were downloaded free of charge and copy right cleared. No additional resources were expended due to overachievement.

Programme 2.2: Braille Production

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
SALB Braille titles produced	242 braille titles were produced	242 braille titles were produced	243 braille titles were produced	240	241 braille titles were produced	1	More content became available during the year to produce the additional title. This was within budgeted resources to be accommodated.
Supplier Braille titles processed	157 Supplier Braille titles were produced	204 Supplier Braille titles were produced	257 Supplier Braille titles were produced	250	250 Supplier Braille titles were produced	-	-
Production of indigenous Braille titles	26 new indigenous language Braille titles were produced	37 new indigenous language Braille titles were produced	37 new indigenous language Braille titles were produced	35	38 new indigenous language Braille titles were produced	3	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.

Programme 2.3: Audio Production

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Production of SALB Audio Titles	Produced 254 newly narrated digital audio book titles	Produced 270 newly narrated digital audio book titles	Produced 275 newly narrated digital audio book titles	270	Produced 272 newly narrated digital audio book titles	2	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.
Processing of Supplier Audio titles	Processed 280 supplier audio digital titles	Processed 320 supplier audio digital titles	Processed 337 supplier audio digital titles	330	Processed 332 supplier audio digital titles	2	More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated.

Programme 2.4: National Braille Consultancy

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Tactile book titles produced	70 tactile books produced	18 tactile books produced	18 tactile books produced	18	19 tactile books produced	1	More content became available during the year to produce the additional title. This was within budgeted resources to be accommodated.
Braille and Tactile standards training	4	4	5	4	4	-	-
SiSwati Training Manual	4 Progress reports complete	1	-	-	-	-	-
Plan and administer Braille Transcriber Examinations	2 Braille examinations were administered	2 Braille examinations were administered	2 Braille examinations were administered	2	2 Braille examinations were administered	-	-

Programme 2.5: Technical Services

Performance indicators planned targets and actual achievements

Performance Indicators as per APP	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
Digital Playback devices serviced	992 players were serviced	780 players were serviced	612 players were serviced	1323	637 players were serviced	-686	All players received for servicing were repaired. A lower number of players received from members for maintenance is a positive indicator of quality machines and good care and maintenance.
Prepare Digital playback devices for distribution	908 Digital players were distributed to Library members	1070 Digital players were distributed to Library members	1196 Digital players were distributed to Library members	650	815 Digital players were distributed to Library members	165	The increased numbers relate to the additional membership registration during the year, as well as replacement players issued to existing members for the older player models that could not be repaired. This was within budgeted resources to be accommodated.

Programme 3: Public Engagement

Sub-programme - Marketing

Performance indicators planned targets and actual achievements

No targets for 2019/2020 plan.

LINKING PERFORMANCES WITH BUDGETS

	2018/2019			2019/2020		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R '000	R '000	R '000	R '000	R '000	R '000
Programme 1 - Administration	21 223	21 038	185	20 496	19 625	871
Programme 2 - Business Development	12 527	11 799	728	15 277	14 513	764
Programme 3 - Public Engagement	2 750	2 749	1	4 010	2 725	1 285
Total	36 500	35 586	914	39 783	36 863	2 920

The table above is a brief summary of the budget and expenditure per programme, and more detail information is contained in the Annual Financial Statements.

REVENUE COLLECTION

The main source of revenue for the Library is the subsidy provided by the Department, the amount received for the year was R23,533,000, which was budgeted for and fully utilised. The other income classification is contained in the Statement of Financial Performance in the Annual Financial Statements



Y Ramcharan
Acting Director

Date: 31 July 2020



N de Lange
Acting CFO

Date: 31 July 2020

porate

Board

Polici

PART C: GOVERNANCE

Rules

Governance



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Decisions

Comm

Administration

1. INTRODUCTION

The South African Library for the Blind governance processes comply with existing corporate governance processes and systems. All activities of the Library are directed, controlled and can be accounted for. In addition to the requirements of the South African Library for the Blind Act 91 of 1998 corporate governance is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance where applicable. The Library reports to Parliament once a year and meets with the Portfolio Committee when required.

2. PORTFOLIO COMMITTEE

No Portfolio Committee meetings were scheduled during 2019/2020.

3. EXECUTIVE AUTHORITY

The Management of the Library submitted four quarterly reports to the Department of Arts & Culture as required.

4. THE ACCOUNTING AUTHORITY/ BOARD INTRODUCTION

The SALB Board is appointed in accordance with the South African Library for the Blind Act 91 of 1998. The Board is responsible and accountable for the Library's performance and strategic direction.

The role of the Board is as follows:

- (a) to formulate the policies of the Library for the Blind;
- (b) to approve the budget of the Library for the Blind;
- (c) to approve the financial statements of the Library for the Blind;
- (d) to advise the Minister with regard to matters with which the Library for the Blind is concerned; and
- (e) to furnish the Minister with such information as the Minister may require.

Board Charter

The Board Charter was approved by the Board during August 2008 and reviewed during every board term thereafter. The Board aligns its legal responsibilities with the Charter and complies with all requirements.

Composition of the Board

Name	Designation	Date app	Qualifications	Area of Expertise	Board Directorships
Adv TM Masutha	Chairperson	2019	B.Luris, University of Limpopo LLB, Wits	Minister of Justice and Correctional Services: 2014-2019 Deputy Minister of Science and Technology: 2013-2014	Founding member of the Northern Transvaal Association of the Blind Served on the Executive Committee, National Council for the Blind: 1989-1996 Director of the Disability Rights Unit, Lawyers for Human Rights
Mr X Yekani	Deputy Chairperson	2016	BA Honours (Journalism) BA Media Studies	Research Strategic Management	Nkosinathi Foundation for the Blind and Partially Sighted Persons SABC National Disability Committee Deputy Chair Provincial EE Committee SANCB
Mr MMD Buthelezi	Board Member	2019	BA Hons, UNISA Post Graduate Diploma in Marketing Management, UNISA Media Management Programme, University of Stellenbosch	Director: Mzansi On-line, National Library of South Africa: 2014-2018 Regional Manager, Oxford University Press: 2010-2014 National Manager: Marketing, Via Africa Publishers: 1987-2010 Educator, Department of Education – KZN: 1980-1987	
Ms M Kganedi	Board Member	2019	B Comm. Degree in Accounting & Business Management, University of Johannesburg	Team Leader, Consulting For Camelsa Chartered Accountants: 05/2015 – 09/2015 Chief Financial Officer, Pan South African Language Board: 08/2012 – 01/2014 Deputy Director Management Accounting & Assets, Department of Roads and Transport: 07/2009 – 07/2012 Deputy Director: Budgeting And Cashflow Management, Department of Human Settlements: 06/2006 – 06/2009	
Ms DL Maraka	Board Member	2019	BA, UNISA BED, UNISA BHons: Languages, University of Pretoria Masters Diploma in Human Resources, RAU Further Diploma in Education, RAU	Managing Member, Fallout 1132cc: 2000-to date Human Resources Manager, Lepelle Northern Water: 2003-2004 Social Consultant, Roads Agency Limpopo: 2008-2012 Consulting Manager, NIA-COSMEC: 2004-2005 HR Senior Manager, Legal Aid Board: 2002-2003 HR Manager, Eskom – Mpumalanga: 1999-2001 HR Community Development Manager, Eskom Matimba Power Station: 1996-2001 School Psychologist, Department of Education: 1986-1996 HOD/School Principal, Limpopo Department of Education: 1981-1986	Board member and Chairperson of HR Committee, Lepelle Northern Water: 2007-2011 Board member, LIBSA: 2004-2006

Name	Designation	Date app	Qualifications	Area of Expertise	Board Directorships
Dr S Neerpath	Board Member	2016	BA B Bibl Honours B Bibl Masters PhD (Library & Information Science)	Library Management & Leadership	CHELSA Liasa SABINET National Library for the Society for the Blind
Dr H Mphidi	Board Member	2019	Doctor of Philosophy (Information Science), University of Pretoria Magister Informationis Scientiae (Information Science), University of Pretoria Bachelor of Library and Information Science (Honours), University of Pretoria Bachelor of Library and Information Science (with distinction), University of Pretoria	Deputy Director Innovation and Technology Transfer, Tshwane University of Technology (TUT): 2008 – Present Manager – Technology Enablement, SASOL: 2007 – 2008 Manager – Library and Knowledge Management, Financial and Fiscal Commission (FFC): 2006 – 2007 Senior Information Specialist, Embassy of the United State of America: 2006 Information Specialist, University of Pretoria: 2000 - 2006 Information Assistant, University of Pretoria: 1999 – 2000	Director and Board Member of Rail Manufacturing Centre for Entrepreneurship Rapid Incubator: 2019-Present
Ms E Ramaoka	Board Member	2016	MA (Information Studies)	<ul style="list-style-type: none"> • Research • Monitoring and evaluation • Information management • Strategy development and analysis • Policy development and analysis 	
Mr N Ravgee	Board Member	2016	Bsc (Info Proc) H.Dip.Accounts CA (SA)	Financial Management	IRBA SAICA IRMSA IOD

Remuneration of board members

Board members are remunerated according to National Treasury Guidelines. Board members employed by Government are excluded from remuneration. The SALB Act makes provision for reasonable travel and accommodation costs to be paid by the Library for Board members when executing official duties.

Board Member	Fees	Board Member	Fees
Dr W Rowland	13 716,30	Dr H Mphidi	7 146,00
Adv M Masutha	12 372,00	Mr M Buthelezi	7 146,00
Ms JS Matsebula	6 845,00	Mrs D Maraka	7 146,00
Mr N Ravgee	7 330,41	Ms M Kganedi	5 955,00
Dr S Neerpath	7 146,00		
Ms E Ramaoka	5 955,00	TOTAL	80 757,71

5. RISK MANAGEMENT

A Risk Management Policy is in place as confirmed by the Library's Internal Auditors. The strategy is based on the policy. Regular risk assessments are performed as required and verified by the Internal Auditors and the Library's Audit Committee. The management team of the Library serves as a Risk Management Committee which is led by the Chief Financial Officer. The CFO and the CEO are responsible for addressing and mitigating identified risks. All risks identified on an annual basis are addressed in collaboration with the Audit Committee.

6. INTERNAL CONTROL UNIT

The Management Team of the SALB functions as the Internal Control Unit. Monthly meetings are conducted. Issues are raised with the Board where applicable during their quarterly meetings.

7. INTERNAL AUDIT AND AUDIT COMMITTEE

The key activities and objectives of the internal audit are as follows:

- Performing an assessment of the adequacy and effectiveness of the risk management processes;
- Analysing and evaluating defined business processes and associated controls;
- Evaluating the effectiveness of controls over the reliability and integrity of certain defined information for management purposes, with particular emphasis on financial information;
- Ascertaining the level of compliance with policies, plans, procedures, laws and regulations applicable to the work undertaken;
- Assessing the adequacy of controls to safeguard assets, including intangible assets applicable to the work undertaken;
- Assessing whether significant IT and capital projects, strategic programs and plans are appropriately documented, approved and implemented;
- Drawing attention to any failure by management to take remedial action with respect to control weaknesses identified and reported; and
- Assist the Audit Committee in achieving its objectives by evaluating processes.

The key activities and objectives of the audit committee are:

- To oversee the internal audit;
- Be responsible for recommending the appointment of the external auditor and to oversee the external audit process;

- Oversee integrated reporting and should have regard to all factors and risks that may impact on the integrity of the integrated report;
- Perform Risk management;
- Provide oversight on Information Technology Governance;
- Provide general oversight and reporting of sustainability by reviewing the integrated report to ensure that the information contained in it is reliable and that it does not contradict the financial aspects of the report;
- Oversee the provision of assurance over sustainability issues; and
- Ethics, Compliance, and Whistleblowing - be responsible for monitoring the ethical conduct of the Library, its executives and senior officials, by Reporting and Accountability - an independent role with accountability to the board.

A summary of the internal audit work done is provided in the report of the Audit Committee Chair. Specify summary of audit work done.

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Library complies with all applicable Laws and Regulations and is audited internally and externally for compliance.

9. FRAUD AND CORRUPTION

A Fraud Risk Management Policy is in place as well as an Anti Fraud and Anti Corruption Policy and Plan. The Library's affairs are conducted according to these documents and tested by Internal and External Audits. No fraudulent activities were raised during the financial year. The plan makes provision for various mechanisms to report fraud or corruption by anyone.

10. MINIMISING CONFLICT OF INTEREST

The Board and Management of the Library are aware of the potential conflict of interest that may arise in the supply chain management process. This is due to the small staff component of the Library in senior positions. Within this confinement delegations are carefully assigned in an effort to minimize conflict of interest. This matter was not raised during the recent Internal or External Audits.

11. CODE OF CONDUCT

The Library's conduct is guided by its Legislation, Conditions of Service, Disciplinary Code, shared value statement and values. Breach of any of the above is addressed through approved internal disciplinary practices.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Compliance:

The South African Library for the Blind complies with the OHS&E Act, 85 of 1993, in the following manner:

Health and Safety Representatives: Compliance according to H&S act: Every Institution/business/entity, which employs 20 or more people, in a shop/office type environment must comply by having ONE representative for every 100 workers, or part thereof. The SALB has 4 Health and Safety Representatives for just over 40 employees.

First Aid: Compliance according to H&S act: One First Aider must be available during a shift. The SALB has a minimum of 3 qualified First Aiders per shift.

H&S Committee: The Representatives must have regular meetings to discuss OH&S issues. This has been changed in the new Act to a H&S committee meeting once every quarter, and that the minutes of these meetings must now be signed by the CEO of the organisation. The SALB conducted these meetings regularly when there were contractors on site. These will now take place once a quarter and the minutes signed by the CEO. The minutes of these meetings will be kept for a minimum of 3 years, on file.

Evacuation plans: Evacuation procedures must be in place and personnel must be made aware of procedures. The SALB does have a comprehensive evacuation plan, and emergency evacuation drills are held at least twice a year. The Library has an Evac-Chair to assist people down a staircase. Training on how to use this chair to evacuate an injured staff member from the building in the event of an injury which prevents them from doing so themselves, will be given to the First Aiders. The fire extinguishers in the Library are serviced and checked annually by A&L Fire in Port Elizabeth under contract by NDPW. Proof of the visits can be seen on the service card of each fire extinguisher. The elevator in the Library is checked once a month, by Schindler, also under contract by NDPW. Records of these monthly inspections and the repairs that were required, if necessary, are noted on these inspection documents, and are kept on file.

13. COMPANY/ BOARD SECRETARY

Not applicable.

14. SOCIAL RESPONSIBILITY

The core function of the Library, i.e. to render a library and information service to blind and print handicapped people is a social responsibility service. Services are rendered to any blind person free of charge. The Library expanded the production of its pre-school tactile picture books to include two Non-Governmental Organisations as a job creation and skills development program. The Library also provides volunteer work to more than 50 narrators, proof readers, copy typists and braillists across South Africa who assist the Library to produce Audio and Braille reading material.

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	Number of meetings attended
Mr L Coopasamy (Chairperson)	Chartered Accountant	External		1 June 2016		4
Ms A van der Merwe	Chartered Accountant	External		1 August 2018		4
Mr N Latif Kader	Chartered Accountant	External		1 August 2018		2

15. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Audit Committee Members and Attendance at Meetings

In terms of the audit committee charter and Section 77 (1)(b) of the Public Finance Management Act, the audit committee has met at least twice in respect of the financial year. Details of the meetings were as follows:

Date	Mr L Coopasamy (Chairman) MCom (UP) CA (SA)	Ms A van der Merwe BAcc Hons UFS) CA (SA)	Mr N Latif Kader MCom (UP) CA (SA)
7 May 2019	√	√	apology
23 May 2019	√	√	√
23 July 2019	√	√	√
28 November 2019	√	√	apology

SALB management has been informed that the tenure of Mr L Coopasamy will come to an end in 2021 after serving two terms as an audit committee member. Furthermore, Mr Latif Kader will be leaving Makhanda at the end of 2020/early 2021 and he has shown interest in participating virtually in audit committee meetings upon his departure, if the audit committee agrees to that arrangement.

Internal Audit and the Effectiveness of Internal Control

PricewaterhouseCoopers tenure as the internal auditor came to an end during the year under review. The South African Library for the Blind (SALB) went out on tender to source a new internal auditor. The 80/20 principle was used for the internal audit evaluation as management felt this to be in the best interest of SALB. Lunika Chartered Accountants and Auditors was appointed as the new internal auditors.

Our review of the findings of the internal audit work, which was based on the risk assessments conducted at SALB revealed certain weaknesses, which were then raised with SALB management. Ratings ranging from High to Low were assigned to each finding based on the impact of the weakness in internal control and the threat of financial loss to the organization.

The following internal audit work was completed during the year under review:

- i. Follow up on Auditor General and Internal Audit findings from prior year
- ii. Review of Supply Chain Management, Human Resources, Bank and Cash & Assets
- iii. Review on Performance Information and Annual Financial Statements
- iv. Reviews of the following management documents:
 - Risk Management Policies

- Fraud Prevention Policy and Strategy
- Internal Audit charter
- Audit committee charters
- v. ICT General Controls Review
- vi. Application Controls Review – Aurora

In-Year Management Reporting

SALB has reported to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by SALB and commend management for once again producing a high quality set of statements.

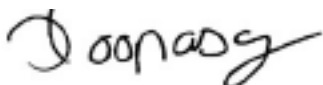
Auditor-General South Africa

The Audit Committee did not physically meet with the Auditor General during the year. A conference call was arranged between the audit committee and the Auditor General.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Auditor General intends on issuing an unqualified audit opinion in respect of the 2019/20 financial year.



Chairperson of the Audit Committee

6 October 2020

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The South African Library for the Blind is exempt from the full criteria, as it falls under the category of B-BBEE Qualified Small Enterprise – Specialised Entity. The Library submits the annual compliance reporting to the B-BBEE commission as per the necessary requirements/legislation and in accordance to this classification.



PART D: **HUMAN RESOURCES MANAGEMENT**

INTRODUCTION

THE STATUS OF HUMAN RESOURCES AT THE SA LIBRARY FOR THE BLIND (OVERVIEW)

During the period under review, there were 8 appointments and 12 terminations of service.

Regrettably, the Director of the Library, Mr Francois Hendrikz was one of the employees who left the employ of the SALB during the 2019/2020 financial year. This was due to ill health. One other employee also left the Library due to health reasons and another sadly passed away after a relative short period of illness. Two employees retired during the period under review, one a Cleaner who retired early and the other retired at the compulsory retirement age at the SALB. There were four resignations from employment. One was a permanent employee and three were contract employees on the Provincial Mini-Libraries projects. Two Internship terms came to an end, but one of the employees was then successfully appointed as a Contract employee in the Mini-Libraries project section.

Of the 8 appointments, one employee was an internal candidate who successfully applied for a higher-level Librarian vacancy, following the resignation of the previous incumbent and another was a visually impaired Intern who was then appointed in a 1-year contract post. There were also three Interns appointed as part of the total appointments for the period under review, of which one of them was appointed in the Internship programme specifically for visually impaired persons. Two further persons were appointed to the permanent establishment due to the retirement of one employee and the tragic death of another employee. An appointment was also made in the Provincial Mini-Libraries project role for North West, following the resignation of the previous incumbent in that role.

From an employment equity perspective, the demographic profile of terminated employees were 2 African Male employees, 4 African Female, 1 Coloured Male, 1 Coloured Female, 1 White Female and 1 White Male. The remaining two (1 African Female and 1 Visually Impaired African Male) relates to the internal candidates who were appointed in other positions internally. The demographics of appointed candidates were: 4 African Females, of which one is a Visually Impaired person, and 4 African Males, of which 1 is visually impaired as well. Thirty-seven (which equates to 64%) of the total employees of the SALB are African, fifteen (26%) are Coloured, one (2%) Indian and five (9%) are White. Three (5%) of employees are employees with visual impairments.

The SALB expended R356 000 on training and development of staff for the year. This includes the upskilling of an employee

in TsiTsonga Braille and training staff on the SALB Library Management System. Five employees were engaged in formal qualification studies; 2 Visually Impaired staff members participated in orientation/navigation training around the SALB building and surrounding banks, shops and other key offices in the area; 4 staff members attended a 2 day in-house training course on GRAP Reporting Standards; and 2 attended a course on the SALB Time Management System; one staff member enrolled for a short course on Pastel accounting. Furthermore, the Director attended the IFLA conference in Greece; 1 visually impaired staff member attended two conferences - 1 hosted by the SA National Council for the Blind and another by the Orientation and Mobility Association of South Africa (OMASA); two other senior staff members attended conferences hosted by SITA and ASM Communications respectively. A few Library Information Services staff received training on the newly improved Library Management System.

Two visually impaired pupils from Khanyisa School for the Blind in Port Elizabeth and two from Filidelfia School for the Blind in Soshanguve participated in the annual Apprenticeship programme at SALB. This programme engages the pupils on work related activities for one week.

HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

Financial constraints continue to present a challenge in terms of appointing suitably qualified permanent employees at the SALB. The SALB is appointing Interns to complement its staff base.

The growing participation of and provision of funding by the Provincial Departments of Sports, Recreation, Arts and Culture continues to afford opportunities for SALB to appoint contract staff to attend to the establishment of dedicated service points at public libraries for blind and visually impaired members to access reading material in a format accessible to them. Thus far 8 of the 9 Provinces of South Africa are engaged in this programme with the 9th Province pledging its support from the forthcoming financial year.

The Apprenticeship programme at SALB focuses on affording visually impaired scholars an opportunity to be actively engaged in work related activities at the SALB. This programme aims to provide the participating pupils the opportunity to make career decisions for the future, whilst also alerting them regarding the services of the SALB. Sadly, due to financial constraints this was the last year that this programme was run.

WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The National fiscus remains constrained and there is a call on all Government Departments and Public Entities like ourselves to contain costs. This however hampers the ability to appoint more staff and/or to replace staff who leave the employ of the SALB with permanent staff members.

Cost saving strategies applied at the SALB include the appointment of Interns as opposed to permanent staff members, where such appointment is possible. The SALB also try and appoint visually impaired persons to Internships to afford such interns an opportunity to gain practical work experience whilst earning a stipend. The appointment of Interns at SALB also contribute to the National Strategy of increasing youth employment and development opportunities, as well as appointment of persons with disabilities.

Only two of the 8 employees appointed was on the permanent establishment and replaced persons who vacated their positions and one other employee was an internal candidate who moved from one position to a higher level position after a fully transparent and open recruitment process. There were also two contract appointments and three Intern appointments. All appointees were suitably qualified candidates from designated groups.

The SALB often re-advertise vacant positions in an attempt to increase the pool of candidates from designated groups as part of transformation efforts. The services of Recruitment Agencies are also utilised at times to assist in this regard, particularly in specialised or high-level positions.

EMPLOYEE PERFORMANCE MANAGEMENT

Through the dedication and hard work of the staff members at the SALB, 17 of the 19 Annual Performance Targets for the Library were fully achieved during the year under review. This equates to 89%. We acknowledge staff for this achievement.

Financial constraints drastically limit the ability of SALB Management to reward high performing staff. 25 Staff members were however acknowledged with a once-off bonus amount in appreciation for performance above the standard required of them during the prior financial period.

EMPLOYEE WELLNESS PROGRAMME

Through the staff wellness programme at SALB, staff who

experience hardships or serious challenges are assisted through counselling or advice and support. This is to encourage and foster teamwork in the workplace and improve the SALB corporate culture and or staff morale.

During the year under review, a number of counselling sessions were held with staff members who experienced great challenges or adversity and reasonable accommodations were made for them to be assisted with their challenge. Those who made use of the concessions were appreciative of the assistance.

POLICY DEVELOPMENTS

The SALB has around 16 formal Policies and 29 Manuals/Codes/ Plans and related formal documents to guide staff Conditions of Service, conduct, rights and responsibilities and business operations/matters. These documents are reviewed regularly (mostly annually) and updated as and when required in line with industry norms and standards. Any updates to formal Policies are communicated with staff and only amended after a consultative process is followed. Board approval/ratification is also sought during updating of formal policies.

ACHIEVEMENTS

Four visually impaired scholars participated in the Apprenticeship programme of the Library during the 2019/2020 financial period. They were pupils from Khanyisa School for the Blind in Port Elizabeth and Filidelfia School for the Blind in Soshanguve. The pupils spent approximately one working week at the Library during which they were exposed to the various functions performed in the different sections of the Library.

Through the Skills Development Fund of the Library more than R356 000 was expended on staff development and training. Some staff members benefited from more than one course or training intervention during the year under review.

One employee completed 30 years of service during the year under review. He is commended on this wonderful achievement.

Staff efforts and commitment in achieving 17 of the 19 performance targets of the SALB is also regarded as a commendable achievement.

HUMAN RESOURCE CHALLENGES FACED

Challenges faced within the Human Resources environment continue to relate to financial constraints due to the poor economic climate. SALB would like to increase their workforce by appointing more permanent staff and Interns, particularly to increase their service offering to its members in all the official languages of South Africa. This is hampered however due to funding limitations.

A further challenge experienced by the SALB is to attract persons proficient in languages not native to the Eastern Cape to become Narrators of audiobooks and Transcribing and Proofreading of Braille books so as to contribute to the collection of reading material in all official South African languages. The inability to offer a worthwhile stipend to such persons due to funding constraints impacts negatively on this programme.

FUTURE HUMAN RESOURCE PLANS/GOALS

The main objective in the Human Resources section is to continue to grow and expand the workforce of the Library - despite financial constraints - in order to serve the blind and visually impaired community optimally, whilst expanding, as far as reasonably possible, the number of employment opportunities for blind and/or partially sighted persons.

NOTE: The Human Resources tables to follow were adapted to suit the SALB requirements as a Public Entity whilst maintaining relevance and ease of understanding.

PERSONNEL RELATED EXPENDITURE

Personnel Expenditure by Programme/Activity/Objective (1 April 2019 to 31 March 2020)

Programme/ Activity/ Objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee (R'000)
Full Time Staff (Excl. Project totals below)	-	17 308	47.18	52	333
Snr Projects Coordinator	-	522	1.42	1	522
EC Library Project	-	756	2.06	2	378
Free State Library Project	-	495	1.35	1	495
Gauteng Library Project	-	120	0.33	1	120
KZN Library Project	-	747	2.04	2	374
Mpumalanga Library Project	-	484	1.32	1	484
Northern Cape Library Project	-	475	1.29	1	475
North West Library Project	-	380	1.04	1	380
Western Cape Library Project	-	479	1.31	1	479
TOTAL	36 682	21 766	59.34	63	346

Personnel Cost by Salary Band (excluding Project Staff, Narrators and Proofreaders)

Salary Levels	Personnel Expenditure (R'000)	% of total Personnel Expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top Management	-	-	-	-
Senior Management (P2-3)	929	5.37	1	929
Professional qualified (P4-7)	4 183	24.17	5	837
Skilled (P8-11)	7 529	43.51	19	396
Semi-skilled & other (P12-15)	4 064	23.38	19	213
Unskilled (P16-19)	603	3.48	8	76
TOTAL	17 308	100	52	333

NOTE: The Salary Levels in this table are aligned to the EEA 9 table issued by the Department of Labour. Also, the totals applied in the table are in line with the totals for the Full Time staff component in the first table above.

Performance Rewards by salary band (excluding Project Staff, Narrators and Proofreaders)

Salary Levels	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of Performance Rewards to total personnel cost
Top Management	-	-	-
Senior Management (P2-3)	15	929	12.39
Professional Qualified (P4-7)	37	4 183	30.58
Skilled (P8-11)	45	7 529	37.19
Semi-skilled & other (P12-15)	24	4 064	19.84
Unskilled (P16-19)	-	603	-
TOTAL	121	17 308	100

Note: The Salary Levels in this table is aligned to the EEA 9 table issued by the Department of Labour. Also, the totals applied in the table is in line with the totals for the Full Time staff component in the first table above.

Training Costs by Programme/Activity/Objective (1 April 2019 to 31 March 2020)

Programme/ Activity/ Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee (R'000)
Full Time Staff (Excl. Project totals below)	17 308	356	2.06	35	10
TOTAL	17 308	356	2.06	35	10

EMPLOYMENT AND VACANCIES

Employment and vacancies by Programme/Activity/Objective

Programme/ Activity/ Objective	2018/2019 No. of Employees as at 31/03/2019	2019/2020 Approved Posts 01/04/2019	2019/2020 No. of Employees as at 31/03/2020	2019/2020 Vacancies	% of Vacancies
Full Time Staff (Excl. project staff below, but incl. Interns and general contract staff)	48	56	46	10	100
Snr Projects Coordinator	1	1	1	-	-
EC Library Project	2	2	2	-	-
Free State Library Project	1	1	1	-	-
Gauteng Library Project	1	1	-	1	100
KZN Library Project	2	2	2	-	-
Mpumalanga Library Project	1	1	1	-	-
Northern Cape Library Project	1	1	1	-	-
North West Library Project	1	1	1	-	-
Western Cape Library Project	1	1	1	-	-

Note: Project posts are reported on separately from full time staff in the table above as each project relates to a separate conditional grant.

Employment and vacancies by salary band as at 31 March 2020

Salary Band	2018/2019 No. of Employees as at 31/03/2019 establishment	2019/2020 Approved Posts 01/04/2019	2019/2020 No. of Employees as at 31/03/2020	2019/ 2020 Vacancies	% of Vacancies
Top Management	-	-	-	-	-
Senior Management (P2-3)	1	1	1	-	-
Professional qualified (P4-7)	5	5	5	-	-
Skilled (P8-11)	19	23	14	9	69.23
Semi-skilled & other (P12-15)	17	21	18	3	23.08
Unskilled (P16-19)	6	6	8	1	7.69
TOTAL PERMANENT STAFF	48	56	46	13	100

Note: A number of positions are frozen/unfunded at SALB due to funding constraints. It is standard practice to review the need to fill a position in its present form, or to freeze a position and/or fund another post with the funding of the vacated position each time someone vacates a position at SALB. This is done to try and balance the service operations with funding availability in a constrained environment. The services of Recruitment agencies are often used to assist during the recruitment processes of critical, high-level or specialist posts to ensure suitably qualified candidates from designated groups are reached and appointed. At times positions are re-advertised if a sufficient number of applications from suitably qualified candidates from designated groups are not received during the first round.

EMPLOYMENT CHANGES

Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020

Salary Band	Number of employees at the beginning of the period 1 April 2019	Appointments and transfers into the Organisation	Terminations and transfers out of the Organisation	Employment at the end of the period
Top Management	-	-	-	-
Senior Management (P2-3)	1	-	1	-
Professional qualified (P4-7)	5	-	-	5
Skilled (P8-11)	18	1	3	16
Semi-skilled & other (P12-15)	17	2	2	17
Unskilled (P16-19)	6	4	2	8
TOTAL PERMANENT STAFF	47	7	8	46

Note: The above table relates to the permanent staff complement only and excludes project posts

Programme/Activity/Objective	Number of employees at the beginning of the period 1 April 2019	Appointments and transfers into the Organisation	Terminations and transfers out of the Organisation	Employment at the end of the period
Full Time Staff (Excl. project staff below, but incl. Interns and general contract staff)	47	7	8	46
Snr Projects Coordinator	1	-	1	-
EC Library Project	2	-	-	2
Free State Library Project	1	-	-	1
Gauteng Library Project	1	-	1	-
KZN Library Project	2	-	-	2
Mpumalanga Library Project	1	-	-	1
Northern Cape Library Project	1	-	-	1
North West Library Project	1	1	1	1
Western Cape Library Project	1	-	-	1

Reasons why staff left the Organisation for the period 1 April 2019 to 31 March 2020

Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2020

Salary Band	Number of employees at the beginning of the period 1 April 2019	Appointments and transfers into the Organisation	Terminations and transfers out of the Organisation	Employment at the end of the period
Full Time Staff (Excl. project staff below, but incl. Interns and general contract staff)	47	7	8	46
Snr Projects Coordinator	1	-	1	-
EC Library Project	2	-	-	2
Free State Library Project	1	-	-	1
Gauteng Library Project	1	-	1	-
KZN Library Project	2	-	-	2
Mpumalanga Library Project	1	-	-	1
Northern Cape Library Project	1	-	-	1
North West Library Project	1	1	1	1
Western Cape Library Project	1	-	-	1

Reasons why staff left the Organisation for the period 1 April 2019 to 31 March 2020

Reason	Number	% of total number of staff leaving
Death	1	9.09
Resignation	4	36.37
Expiry of contract	1	9.09
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	2	18.18
Retirement	2	18.18
Transfers – promotions within organisation	1	9.09
Other – Alternative Contract Positions	-	-
Total	11	100
Total number of employees who left as a % of total employment	18.97	-

Note: The totals in the reasons for staff leaving includes terminations of the Project staff.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of Disciplinary Action	Number	% of total number of staff leaving
Verbal/ 1st Warning	1	33.33
Written Warning	-	-
Final Written Warning	1	33.33
Dismissal	-	-
Poor Performance Counselling	1	33.34
Total	3	100

EMPLOYMENT EQUITY

Employment Equity Target and Employment Equity Status for Females

Employment Equity Target and Employment Equity Status for Males

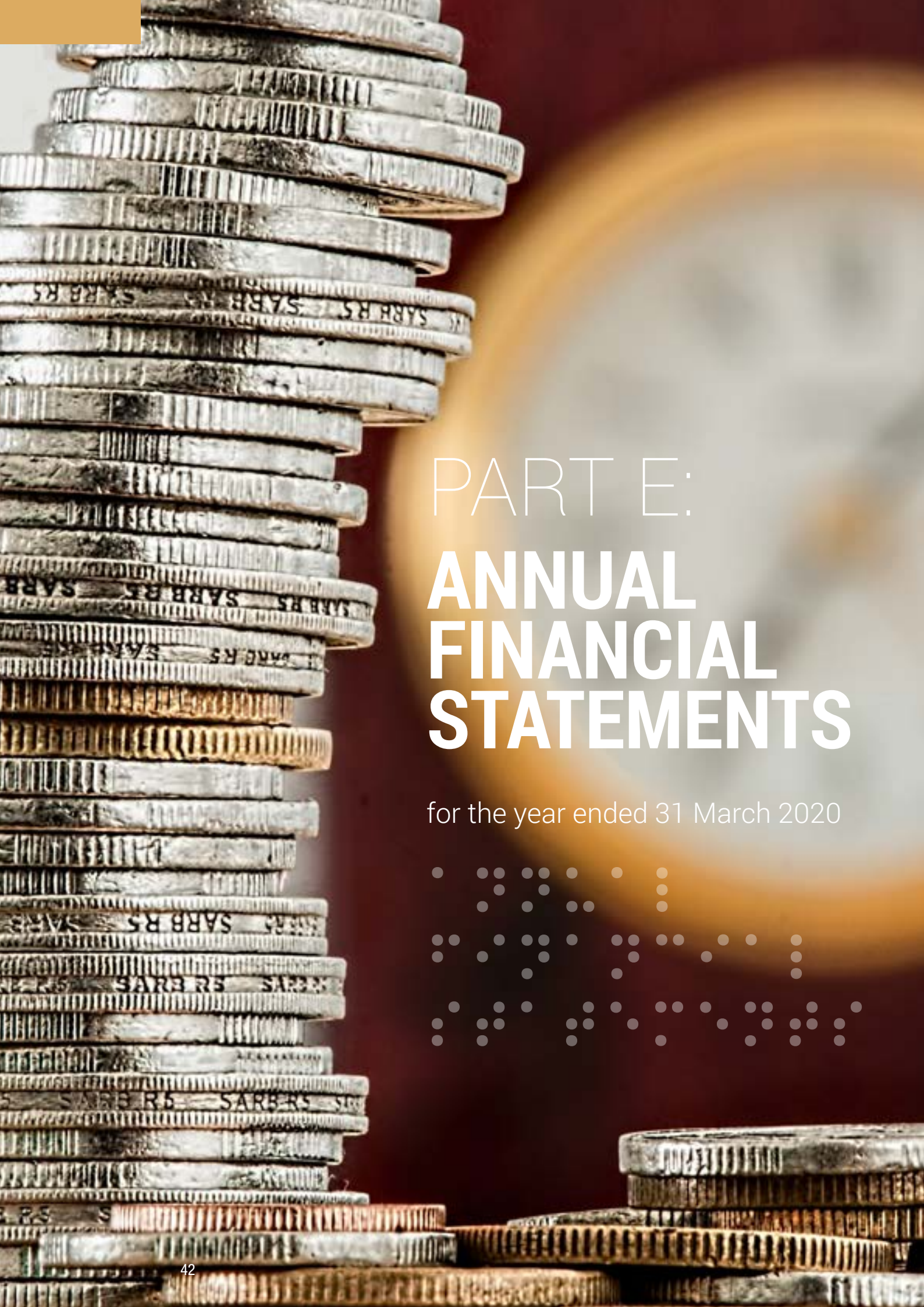
Occupational Band	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	1	1	-	-	1	1	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	5	2	3	-	-	1	1
Semi-skilled and discretionary decision making	4	3	5	5	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-
Temp/Contract	4	2	-	1	-	-	-	-
Interns	1	1	-	-	-	-	-	-
Total	12	12	7	9	1	1	2	3

The table above includes employees who have been paid during March 2020, but whose employment terminated by end March 2020, e.g. Director and Snr Projects Coordinator.

Occupational Band	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	1	1	1	1
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-
Temp/Contract	1	1	-	-	-	-	-	-
Interns	-	-	-	-	1	1	1	1
Total	1	1	-	-	2	2	2	2

Employment Equity Target and Employment Equity Status for persons with disabilities

Occupational Band	STAFF WITH DISABILITIES			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	1	1
Semi-skilled and discretionary decision making	-	-	-	-
Unskilled and defined decision making	-	-	-	-
Temp/Contract	1	1	-	-
Interns	-	-	1	1
Total	1	1	2	2



PART E: **ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020



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Approval of Annual Financial Statements

The annual financial statements which appear on pages 48 to 70 have been approved and authorised or issue on date of signature by the Board and are signed by the Acting CEO:



Adv M Masutha
Chairperson

30 September 2020

Date



Y Ramcharan
Acting Director (CEO)

30 September 2020

Date

Opinion

1. I have audited the financial statements of the South African Library for the Blind set out on pages 48 to 70 which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Library for the Blind as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the library in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the library's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the library or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

- 8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

- 10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the library. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the library enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the library for the year ended 31 March 2020:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2: Business Development	17 - 25

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 2: business development.

Other matter

15. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGET

16. Refer to the annual performance report on page 17 to 25 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the library's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
24. I did not identify any significant deficiencies in internal control.

AUDITOR-GENERAL

East London
30 September 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SOUTH AFRICAN LIBRARY FOR THE BLIND
DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Director presents his report of the Library for the year ended 31 March 2020

1. DIRECTOR AND CHAIRPERSON OF THE BOARD

The Director until 31 March 2020 was Mr F Hendrikz. The current Acting Director is Mr Y Ramcharan and the business and postal addresses are as follows:

The Director
South African Library for the Blind
112b High Street / PO Box 115
Makhanda (Grahamstown)
6139 / 6140

The Chairperson of the Board is Adv M Masutha and his postal address is as follows :

26 San Marino
324 Nieuw Muckleneuck
Pretoria
0002

2. PRINCIPAL ACTIVITIES OF THE LIBRARY

The South African Library for the Blind is a National Library for Blind and Visually Impaired readers, which renders a free service to its members.

3. OPERATING RESULTS

Surplus of R4 670 000 for the year is recorded and is predominantly due to the nature of classifying production costs as capital expenditure.

There were variations as compared to the approved budget; and these are explained in note 21 on the financials.

4. REVIEW OF OPERATIONS

GROSS INCOME AND EXPENDITURE (refer to page 53)

Gross income for the year totalled R41 532 000 which represents an increase of 15.5% over the previous year.

Gross Expenditure for the year totalled R36 863 000 which represents an increase of 3.6% over the previous year.

5. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No other events to disclose.

YASHEEN RAMCHARAN
ACTING DIRECTOR (CEO)



Date: 31 July 2020

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 R 000's	2019 R 000's
ASSETS			
Non-current assets		76 354	72 319
Property, plant and equipment	2	3 085	4 298
Intangible assets	3	73 269	68 021
Current Assets		22 967	21 050
Trade and other receivables from exchange transactions	4,1	3	-
Other current financial assets	4,2	8	106
Prepayments	4,3	737	374
Cash and cash equivalents	5,1	22 219	20 570
TOTAL ASSETS		99 321	93 369
LIABILITIES			
Non Current Liabilities		1 573	2 183
Provision for Post Retirement Benefits	6,1	1 573	2 183
Current Liabilities		10 829	8 937
Trade and other payables from exchange transactions	7	1 864	2 594
Provisions	8	192	171
Current portion of unspent conditional grants	9	8 423	6 172
Current portion of unspent conditional receipts	10	350	-
TOTAL LIABILITIES		12 402	11 120
Net Assets			
Capital and Reserves		86 919	82 249
Accumulated surplus		86 919	82 249
Total Net Assets		86 919	82 249
TOTAL NET ASSETS AND LIABILITIES		99 321	93 369

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 R 000's Actual	2019 R 000's Actual
Revenue	11		
Revenue from non-exchange transactions		39 604	34 288
Transfers and subsidies	11,1	23 533	22 323
Gifts, sponsorships and donations	11,2	1 222	2 796
Transfers and Sponsorships (Other Government Departments and Entities)	11,3	14 849	9 169
Revenue from exchange transactions		1 271	851
Other income	11,4	34	111
Interest received/earned	12	1 237	740
Total Revenue		40 875	35 139
Expenditure			
Administrative expenses	14	(1 305)	(1 232)
Staff costs	15	(13 907)	(14 033)
Depreciation and amortisation expense	2&3	(2 137)	(2 086)
Marketing costs	16	(2 725)	(2 749)
Audit fees	17	(658)	(735)
Other operating expenses	18	(15 950)	(14 727)
Total Expenditure		(36 682)	(35 562)
Other Gains			
Gain on fair value of financial instruments	5,2	-	805
Actuarial Gain	6,1	656	-
(Loss) / Gain on sale/disposal of assets	2&3	(179)	(24)
Total Other		477	781
Surplus for the year		4 670	358

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Accumulated Surplus R'000
Balance at 1 April 2018		81 891
Surplus for the year		358
Balance as at 31 March 2019		82 249
Surplus for the year		4 670
Balance as at 31 March 2020		86 919

SOUTH AFRICAN LIBRARY FOR THE BLIND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 R 000's	2019 R 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		40 502	34 738
Transfers and subsidies		23 533	22 323
Gifts, sponsorships and donations		757	2 460
Transfers and sponsorships		14 849	9 254
Other receipts		28	59
Interest and actuarial gain		1 335	642
Payments		(35 568)	(33 229)
Staff costs		(14 892)	(13 673)
Goods & services		(20 676)	(19 556)
Net cash flows from operating activities	19.1	4 934	1 509
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(902)	(435)
Acquisition of intangible assets		(4 984)	(4 101)
Gain on fair value of financial instruments		-	805
Transfers from current investments		-	12 718
Net cash flows from investing activities		(5 886)	8 987
CASH FLOWS FROM FINANCING ACTIVITIES			
Current portion of unspent conditional grants and receipts		2 601	(1 350)
Net cash used in / flows from financing activities		2 601	(1 350)
Net increase in cash and cash equivalents		1 649	9 146
Cash and cash equivalents at the beginning of the year		20 570	11 424
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5,1	22 219	20 570

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

	Actual 2018/19 R 000'S	2019/2020				
		Original budget R 000'S	Adjust ments R 000'S	Final budget R 000'S	Actual amounts R 000'S	Difference R 000'S
Revenue						
Government subsidies	31 492	23 438	15 295	38 733	38 383	350
Department of Arts and Culture subsidy	22 323	23 438	95	23 533	23 533	-
<i>Department of Arts and Culture Other</i>	-	-	-	-	-	-
Government grants - projects	9 169	-	15 200	15 200	14 850	350
Other Income	111	-	-	-	34	(34)
Gifts, Sponsorships and Donations	2 796	250	-	250	1 222	(972)
Interest received incl fair value gain	1 546	800	-	800	1 237	(437)
Actuarial Gain	-	-	-	-	656	(656)
Transfer from reserves	-	3 058	(3 058)	-	-	-
Total revenue	35 945	27 546	12 237	39 783	41 532	(1 749)
Operating Expenditure						
Compensation of employees	14 033	18 199	(4 209)	13 990	13 907	83
Salaries and wages	11 151	15 259	(4 009)	11 250	11 213	37
Social contributions	2 882	2 940	(200)	2 740	2 694	46
Use of goods and services	21 554	9 147	16 446	25 593	22 956	2 637
Audit fees - external	577	550	-	550	522	28
Bad debts	-	1	-	1	-	1
Bank & Other Financial charges	105	50	11	61	59	2
Board costs	97	160	50	210	210	-
Book production services: Audio; Braille & NBC	214	419	39	458	179	279
Communication	291	310	-	310	274	36
Consultants, contractors and special services	385	445	35	480	354	126
Corporate Governance	43	20	12	32	31	1
Courier and delivery	17	20	15	35	33	2
Entertainment	-	1	-	1	-	1
General Administrative Expenses	149	141	286	427	415	12
General Fees for Services	32	101	(71)	30	28	2
Legal fees	69	30	-	30	4	26
Insurance	220	180	75	255	250	5
Josie Wood	1 850	-	-	-	-	-
Library and information services	194	297	127	424	338	86
Loss on foreign exchange	-	-	100	100	95	5
Marketing costs	2 749	1 260	2 750	4 010	2 725	1 285
Operating lease expenses: equipment	96	87	4	91	88	3
Project expenses	9 169	-	11 700	11 700	11 349	351
Repairs and maintenance	425	348	137	485	446	39
Research and development	52	30	-	30	-	30
Stationery and printing	97	70	5	75	66	9
Training and staff development	194	262	100	362	355	7
Travel and subsistence	331	550	100	650	639	11
Depreciation	2 086	1 800	350	2 150	2 137	13
Municipal Charges DPW/DAC	314	431	-	431	166	265
<i>Covid-19 Expenditure</i>	-	-	5	5	2	3
Playback Device expenditure	1 798	1 584	616	2 200	2 191	9
	35 587	27 346	12 237	39 583	36 863	2 720
Capital Expenditure						
Fixed Assets	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Computer and office equipment	374	180	310	490	482	8
Furniture and fittings	5	20	105	125	122	3
Braille Books PPE	56	-	300	300	298	2
Intangible Assets	4 439	-	5 500	5 500	5 449	51
	4 874	200	6 215	6 415	6 351	64
Total Expenditure	40 461	27 546	18 452	45 998	43 214	2 784

SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting Policies

1,1 Legislation

The South African Library for the Blind is governed by a board appointed by the Minister of Arts and Culture, in terms of the South African Library for the Blind Act (Act 91 of 1998). As a partly state-funded institution, its financial affairs are subject to the controls and oversight measures implemented in respect of the public sector and public entities by the provisions of the Public Finance Management Act (PFMA) (Act 1 of 1999) and Treasury Regulations, and is classified as a Schedule 3A Public Entity.

1,2 Taxation

As from 1 April 2005, the S A Library for the Blind was deregistered as a value added tax (VAT) vendor due to changes in the VAT Act. The Library is further exempted from the payment of Income Tax due to its non-profit organisation (NPO) status.

1,3 Basis of Preparation

The annual financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP). The financial statements are prepared on a historical cost basis and accounting policies have been applied consistently with those in the previous year, except as otherwise indicated. All figures have been rounded to the nearest Thousand Rand

1,4 Presentation Currency

These annual financial statements are presented in South African Rands.

1,5 Going Concern

These annual financial statements have been prepared on a going concern basis.

1,6 GRAP standards approved not yet effective

The following GRAP standards summarized below, have been approved but not yet effective as at 31 March 2020, and have not been early adopted by the library:

GRAP 34 - Separate Financial Statements
GRAP 35 - Consolidated Financial Statements
GRAP 36 - Investments in Associates and Joint Ventures
GRAP 37 - Joint Arrangements
GRAP 38 - Disclosure of Interests in Other Entities
GRAP 110- Living and Non-Living Resources

We do not expect the impact of these standards to have a material effect on the financial statements.

1,7 Comparative Information

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified and restated.

The nature and reasons for the reclassification and restatement are disclosed in the notes to the annual financial statements.

1,8 Conditional Grants and Receipts

Income received from conditional grants, donations and subsidies are recognised to the extent that the library has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until it is utilised. Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

1,8 Conditional Grants and Receipts (Cont.)

Grants and receipts of a revenue nature

Income is transferred to the statement of financial performance as revenue to the extent that the criteria, conditions or obligations have been met.

In determining whether a stipulation is a condition or a restriction, the library considers whether a requirement to return the asset is enforceable and would be enforced by the transferor. If the transferor could not enforce a requirement to return the asset, or if past experience with the transferor indicates that the transferor never enforces the requirement to return the transferred asset, then the library concludes that the stipulation has the form but not the substance of a condition and is therefore a restriction. Where the library has no experience with the transferor, or has not previously breached stipulations that would prompt the transferor to decide whether to enforce a return of the asset, it would assume that the transferor would enforce the stipulation.

1,9 Provisions

Provisions are recognised when the library has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the statement of financial position reporting date and adjusted to reflect the current best estimate.

1,10 Property, plant and equipment

Initial measurement

Property, plant and equipment is initially recognised when future benefits are probable and the cost or fair value can be determined reliably.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Examples of directly attributable costs are: site preparation, delivery and handling costs and professional fees. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent measurement

The library applies the cost model to property, plant and equipment.

Property, plant and equipment, is stated at cost, less accumulated depreciation and accumulated impairment.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the original assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

1,10 Property, plant and equipment (Cont.)

Impairment

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Derecognition

Property, plant and equipment is derecognised when there is a disposal or no future economic benefits or service potential are to be derived.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the statement of financial performance. Depreciation is charged to the statement of financial performance.

Depreciation

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. Depreciation only commences when the asset is available for use.

The annual depreciation/ amortisation rates are based on the following estimated asset useful lives:-

Computer equipment	33,33% (36 months)	Office equipment	20,00% (60 months)
Vehicles	20,00% (60 months)	Furniture and fittings	16,67% (72 months)
Equipment	20,00% (60 months)	Buildings	2,00% (600 months)
Braille Books PPE	20,00% (60 months)		

Review of residual values

The residual values of property, plant and equipment are reviewed on an annual basis.

Review of useful lives

The useful lives of property, plant and equipment are reviewed on an annual basis.

Review of depreciation method

The depreciation method is reviewed on an annual basis.

Impairment of cash and non-cash generating assets

Property, plant and equipment will be assessed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the statement of financial performance represents the excess of the carrying value over the recoverable amount of the asset.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the statement of financial performance.

1,11 Financial instruments

Financial instruments are recognised when the library becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the library has transferred substantially all risks and rewards of ownership, or when the library loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

1,11 Financial instruments (Cont.)

1.11.1 Financial assets

The library classifies its financial assets according to the following categories:

1. Held to maturity
2. Loans and receivables

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

1. Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the library has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the statement of financial performance in the period in which it arises.
2. Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the statement of financial performance in the period in which it arises.

An assessment is performed at each statement of financial position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, in the value of individual investments. This reduction in carrying value is recognised in the statement of financial performance. Financial assets consist of:

1.11.1.1 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks / financial institutions.

1.11.1.2 Current investments

Investments disclosed as financial instruments are held with registered banking/financial institutions and are available on call within short-notice (5 days and less). These investments are disclosed at fair value and the risk profile of the investment portfolio is determined by management as being low-to-medium. Net fair value gains or losses will be appropriately disclosed in the statement of financial performance and cash flow statement respectively.

1.11.1.3 Trade and other receivables

Trade and other receivables are initially recognised at fair value. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. A provision for impairment of other receivables is established when there is objective evidence that the library will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for doubtful debts based on past default experience of all outstanding amounts at year-end.

1.11.1.4 Prepayments

A prepayment is recognised when a payment is made in advance of the goods or services being received in accordance with the agreement/condition under which the advance is received.

1.11.2 Financial liabilities

The library measures all financial liabilities, including trade and other payables, at amortised costs, using the effective interest rate method (excluding provisions). Amounts payable within 12 months from the reporting date are classified as current. Financial liabilities consist of:

1.11.2.1 Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

1,12 Revenue recognition

1.12.1 Revenue from exchange transactions

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably. The Library does not as a rule charge fees to its readers.

Where work is done for institutions, a fee is calculated on the cost of producing the required material and is dependent on a variety of cost factors.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding.

1,12 Revenue recognition (Cont.)

1.12.2 Revenue from non-exchange transactions

Government grants are recorded as a liability when they become receivable/allocated and are then recognised as income on a systematic basis over the periods necessary to match the grants with the related/deemed costs, which they are intended to compensate.

Gifts, sponsorships and donations are recognised on a cash basis.

1,13 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the library. Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the term of the relevant lease.

1,14 Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded are recognised in surplus or deficit in the period.

1,15 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the PFMA (Act 1 of 1999) or is in contravention of the library's supply chain management policies. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1,16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1,17 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:

1. those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
2. those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The library will adjust the amounts recognised in the annual financial statements to reflect adjusting events after the reporting date once the event occurred. The library will disclose the nature of the event and an estimate of its financial effect, or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the annual financial statements.

1,18 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as the Director & Chief Financial Officer. There are other personnel reporting directly to the Director or as designated by the Director; however do not have significant authority.

1,19 Employee benefits

1.19.1 Defined contribution plans

A defined contribution plan is a plan under which the organisation pays fixed contributions into a separate entity. The organisation has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The organisation's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the statement of financial performance in the period in which the service is rendered by the relevant employees. The organisation has no further payment obligations once the contributions have been paid.

1.19.2 Defined benefit plans

A defined benefit plan is a post-retirement benefit plan other than a defined contribution plan.

1.19.2.1 Post-retirement health care benefits:

The library has an obligation to provide post-retirement health care benefits only to its current retirees. According to the rules of the Medical Aid Fund, with which the library is associated, an active retired member (who was on the conditions of service when it was applicable), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the library is liable for a two thirds portion of the medical aid membership fee (this applies only to the main member, and excludes dependents).

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every two to three years by independent qualified actuaries.

Actuarial gains or losses are accounted for in the statement of financial performance in full in the year in which it occurs.

1,19 Employee benefits (Cont.)

1.19.3 Short-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service (such as paid vacation leave and sick leave, bonuses and non monetary benefits such as medical care).

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1,20 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

The library applies the cost model to intangible assets, and fair value where an asset is acquired at no nominal cost.

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment where applicable. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, the condition of the asset is evaluated to ascertain its value in use. Where the asset is damaged beyond repair, the fair value of the asset is its scrap value.

Derecognition

Intangible Assets are derecognised when there is a disposal or no future economic benefits or service potential are to be derived.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting period date if there are indicators present that there is a change from the previous estimate.

Amortisation is provided to write down the intangible assets, on a straight line basis, as follows:

Software and licences	33.33% - (36 months)
Masterfile electronic book records	indefinite useful life

1,21 Segment Reporting

The objective of segment reporting is to provide information about the specific operational objectives and major activities of an entity as well as the resources devoted to and costs of these objectives and activities. Management has identified the following services to be reported on as segments: Library Information Services; Audio Production and Braille Production (incorporating Braille Consultancy). These three services are the core sections of SALB and meet the criteria set out to be disclosed as a reportable segment. The other services are more administrative in nature and will thus form part of the unallocated/central total. Furthermore only expenditure and specific sectional production assets is reported separately and reviewed for each of these segments, whilst revenue and liabilities are all central/unallocated.

1,22 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Useful lives of property, plant and equipment and intangible assets

The library's management determines the estimated useful lives and related depreciation charges for property, plant and equipment including intangible assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed.

Provision for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

2 Property, plant and equipment

	Buildings R 000's	Motor Vehicles R 000's	Computer & Office Equipment R 000's	Furniture & Fittings R 000's	Braille Books R 000's	Equipment R 000's	Total R 000's
Year ended 31/3/2019							
Net book value 1 April 2018	59	232	639	79	4 025	836	5 870
Cost or valuation	72	240	2 163	224	6 487	1 716	10 902
Accumulated depreciation	(13)	(8)	(1 524)	(145)	(2 462)	(880)	(5 032)
Additions	-	-	374	5	56	-	435
Disposals	-	-	(19)	(5)	-	-	(24)
Depreciation charge	(1)	(48)	(290)	(24)	(1 303)	(317)	(1 983)
Net carrying amount at 31 March 2019	58	184	704	55	2 778	519	4 298
Cost or valuation	72	240	2 122	215	6 543	1 716	10 908
Accumulated depreciation	(14)	(56)	(1 418)	(160)	(3 765)	(1 197)	(6 610)
Year ended 31/3/2020							
Net book value 1 April 2019	58	184	704	55	2 778	519	4 298
Cost or valuation	72	240	2 122	215	6 543	1 716	10 908
Accumulated depreciation	(14)	(56)	(1 418)	(160)	(3 765)	(1 197)	(6 610)
Additions	-	-	482	122	298	-	902
Disposals	-	-	(6)	(6)	-	-	(12)
Depreciation charge	(1)	(48)	(381)	(23)	(1 332)	(318)	(2 103)
Net carrying amount at 31 March 2020	57	136	799	148	1 744	201	3 085
Cost or valuation	72	240	2 504	307	6 841	1 716	11 680
Accumulated depreciation	(15)	(104)	(1 705)	(159)	(5 097)	(1 515)	(8 595)

During the 2019/20 Financial year; a change in estimate was done on certain assets that are still in use and this has been reflected on the asset register accordingly - if no change of estimate was done, the depreciation charge on these assets would have been R11 000, however with the change applied the effect for 2019/20 is R3 000 and the effect over future years will be R8 000. The useful lives of each asset is assessed annually. During the year assets costing R 130 000 with accumulated depreciation of R118 000 were disposed/scrapped (2019 R 429 000 and R 405 000 respectively) - this has been taken into effect in the respective carrying amounts which also resulted in a net loss of R12 000 being recorded for the year.

3 Intangible assets

Intangible assets consist of software; licences and masterfile electronic records

	Audio Production Supplier Masterfile	Audio Production In- House Masterfile	Braille Production Supplier Masterfile	Braille Production In- House Masterfile	Software / Licences	Total
Year ended 31/3/2019						
Net book value 1 April 2018	6 039	32 012	1 879	23 452	304	63 686
Cost or valuation	6 039	32 012	1 879	23 452	318	63 700
Accumulated amortisation	-	-	-	-	(14)	(14)
Additions	575	1 906	161	1 796	-	4 438
Disposals	-	-	-	-	-	-
Amortisation charge	-	-	-	-	(103)	(103)
Closing net book value 31 March 2019	6 614	33 918	2 040	25 248	201	68 021
Cost or valuation	6 614	33 918	2 040	25 248	302	68 122
Accumulated amortisation	-	-	-	-	(101)	(101)
Year ended 31/3/2020						
Opening net book value 1 April 2019	6 614	33 918	2 040	25 248	201	68 021
Cost or valuation	6 614	33 918	2 040	25 248	302	68 122
Accumulated amortisation	-	-	-	-	(101)	(101)
Additions	770	2 025	219	1 951	484	5 449
Disposals	-	-	-	-	(167)	(167)
Amortisation charge	-	-	-	-	(34)	(34)
Closing net book value 31 March 2020	7 384	35 943	2 259	27 199	484	73 269
Cost or valuation	7 384	35 943	2 259	27 199	484	73 269
Accumulated amortisation	-	-	-	-	-	-

Included in the additions for the year is a fair value treatment of titles obtained for free from being a TIGAR beneficiary R 465 000 (2019 - R 336 000), the corresponding revenue is reflected under note 11.2. During the year assets costing R 302 000 with accumulated amortisation of R135 000 were disposed/scrapped (2019 - R 16 000 and R 16 000 respectively) - this has been taken into effect in the respective carrying amounts which also resulted in a net loss of R167 000 being recorded for the year.

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENT
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		2020 R 000's	2019 R 000's
4	Current Assets		
4.1	Trade receivables from exchange transactions	3	-
	Less: Impairment recognised	-	-
		3	-
	Current		
	Trade receivables from exchange transactions	1	-
		1	-
	30 Days		
	Trade receivables from exchange transactions	2	-
		2	-
	The fair value of the trade and other receivables approximates their carrying value. The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about default rates.		
4.2	Other current financial assets (accrued interest receivable)	8	106
4.3	Prepayments (prepaid expenses)	737	374
5	Cash and cash equivalents including current investments		
	The South African Library for the Blind operates a current account with no overdraft facility; a call account and a money market fund with Standard Bank of South Africa. The details are as follows:		
	BANK: Standard Bank of South Africa		
	ACCOUNT NUMBER: 082 004 196 (Current Account)		
	ACCOUNT NUMBER: 088817644 (Call Account)		
	BANK: STANLIB (Standard Bank Group)		
	ACCOUNT NUMBER: 053998402 (Money Market Fund Account)		
	BRANCH: Grahamstown (Johannesburg - Head Office)		
	BRANCH CODE: 05 09 17		
	The South African Library for the Blind operates a savings account and a money market fund account with ABSA Bank. The details are as follows:		
	BANK: ABSA Bank		
	ACCOUNT NUMBER: 3804 372 1159 (Savings Account)		
	ACCOUNT NUMBER: 9069975980 (Money Market & ABIL Retention Fund Account)		
	BRANCH: Grahamstown		
	BRANCH CODE: 42 05 17		
	The South African Library for the Blind operated a 32-day Call Deposit account with GBS Mutual Bank. This account was closed in the prior year in January 2019. The details are as follows:		
	BANK: GBS Mutual Bank		
	ACCOUNT NUMBER: 00809600036		
	BRANCH: Grahamstown		
5.1	Cash book balance at bank at beginning of the year	20 531	11 395
	Cash book balance on hand (pettycash) at beginning of the year	39	29
		20 570	11 424
	Cash book balance at bank at end of the year	22 182	20 531
	Cash book balance on hand (pettycash) at end of the year	37	39
		22 219	20 570
	The total restricted cash at year end is R 8 772 569 (2019: R 6 172 260).		
	Total cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
	Cash and cash equivalents at end of the year	22 219	20 570
	Cash and cash equivalents at beginning of the year	(20 570)	(11 424)
	Cash and cash equivalents movement	1 649	9 146

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENT
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	2020 R 000's	2019 R 000's
5.2 Current Investments		
The South African Library for the Blind operated a money market account with Old Mutual. This account was closed in the prior year in January 2019. The details are as follows:		
FINANCIAL INSTITUTION: Old Mutual		
ACCOUNT NUMBER: 500148709 (Old Mutual Money Market Fund Account)		
BRANCH: Grahamstown/Port Elizabeth		
The investment account which was held at Old Mutual was fair valued during the year to determine net gain or loss incurred due to the classification of the accounts as being regarded as financial instruments. These accounts are determined by Management as being overall low-medium risk investment money market accounts which are treated as equity funds by the Financial Institution. The credit risk profile of the financial institution is regarded as being good and Management meets regularly with the portfolio manager throughout the year. The market /liquidity risk associated with the accounts are as follows:		
(a) account no. 500148709 (Old Mutual Money Market Fund Account) - this account has a low risk profile and is similar to other Banks and Financial Institutions that offer a money market account. The distributions or net fair gains over the period are stable although the financial institution discloses them as equity shares in their monthly statements submitted to the Entity and are therefore classified as a financial instrument.		
Fair value at beginning of the year	-	12 718
Transfer to current/call account	-	(13 523)
Net Gain for the year	-	805
Fair value at end of the year	-	-
Total current investments included in the cash flow statement comprise the following statement of financial position amounts:		
Cash and cash equivalents at end of the year	-	-
Cash and cash equivalents at beginning of the year	-	(12 718)
Current investments movement	-	(12 718)
The fair value of cash and cash equivalents approximates their carrying value.		
6 Provisions (Non-Current Liabilities)		
6.1 Provision for Post Retirement Benefits		
Post-Retirement Health Care Benefit Liability	1 573	2 183
Total: Post-Retirement Medical Aid Benefit Liability	1 573	2 183
The Library provides post retirement medical benefits by funding the medical aid contributions of retired members of the Library. According to the rules of the medical aid fund with which the Library is associated, a member (who was on the previous condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Library is liable for a certain portion of the medical aid membership. Only three qualifying members are remaining on the scheme.		
The most recent actuarial valuation of the present value of the unfunded defined benefit obligation was carried out as at 31 March 2020 by QDI Consult, a member of the Actuarial Society of South Africa. The present value of the defined obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.		
The Post-Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
Continuation members (retirees, widowers and orphans)	3	4
Total	3	4
The liability in respect of past service has been estimated to be as follows:		
Continuation members	R 1 573	R 2 183
Total liability	1 573	2 183
The Library makes monthly contributions for health care arrangements to the following medical aid schemes:		
Liberty/Bonitas Medical Scheme (1 April 2019 to 31 March 2020) - Pensioners		
Discovery Health Scheme (1 April 2019 to 31 March 2020) - Pensioner		
The current service cost for the year ending 31 March 2020 is estimated to be R nil (2019: R nil) whereas the interest cost is estimated to be R 178 000 (2019: R 181 000). During the year, one of the members of the scheme passed away, bringing the number down to 3 from 4. This therefore resulted in an overall fair value gain of R 656 000 being realised on the provision. The actuarial gain is reflected on the face of the Statement of Financial Performance.		

SOUTH AFRICAN LIBRARY FOR THE BLIND
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	2020 R 000's	2019 R 000's
6,1 Provision for Post Retirement Benefits cont.		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rate of interest		
Discount rate	12,30%	8,78%
Health care cost inflation rate	8,98%	7,93%
Net Discount Rate	3,11%	0,79%
ii) Mortality rates		
Pre-retirement	SA 85 - 90 (Light) ultimate table	
Post-retirement	PA(90) ultimate table	
iii) Normal retirement age		
The normal retirement age for employees of the Library was assumed to be 65 years.		
The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	1 573	2 183
	1 573	2 183
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	1 573	2 183
	1 573	2 183
Net Liability		
	1 573	2 183
The movement in the defined benefit obligation over the year is as follows as derived from the actuarial report:		
Balance at beginning of year (1 April)	2 183	2 127
Recognised past service cost	-	-
Current service cost	-	-
Interest cost	178	181
Benefits paid	(132)	(125)
Actuarial gain on the obligation	(656)	-
Net impact of settlement cost	-	-
	1 573	2 183
Balance at end of year (31 March)		
	1 573	2 183
The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:		
Increase		
Effect on the current cost and the interest cost	206	203
Effect on the defined benefit obligation	1 726	2 378
Decrease		
Effect on the current cost and the interest cost	170	162
Effect on the defined benefit obligation	1 440	1 914
7 Trade and other payables from exchange transactions		
Trade creditors	396	949
Leave gratuity accrual	1 041	1 166
Accrual for bonus	427	479
	1 864	2 594
8 Provisions (Current Liabilities)		
Provision for performance awards		
- Balance at beginning of year	171	171
- Provision utilised	(121)	(130)
- Contribution to provision	142	130
	192	171
Performance awards are paid based on the performance of the library, as well as individual performance. The provision is an estimate based on unaudited profits as well as historical performance awards paid.		

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENT
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9 **Current portion of unspent conditional grants**
Year ended 31/3/2020

	Balance unspent at the beginning of the period	Conditions met transferred to revenue	Current year receipts	Conditions still to be met at the end of the period
<u>Provincial Department of Arts and Culture</u>				
Kwazulu Natal Library project	1 667	(1 691)	1 600	1 576
Mpumalanga Library project	52	(1 427)	1 500	125
Eastern Cape Library project	1 632	(2 434)	2 000	1 198
Western Cape Library project	226	(919)	900	207
North West Library project	746	(1 362)	900	284
Northern Cape Library project	954	(1 028)	1 000	926
Free State Library project	511	(1 077)	1 500	934
Gauteng Library project	384	(949)	3 000	2 435
Limpopo Library project	-	(462)	1 200	738
<u>Department of Arts and Culture</u>				
National Library of South Africa (NLSA)	-	(3 500)	3 500	-
Totals	6 172	(14 849)	17 100	8 423

Year ended 31/3/2019

	Balance unspent at the beginning of the period	Conditions met transferred to revenue	Current year receipts	Conditions still to be met at the end of the period
<u>Provincial Department of Arts and Culture</u>				
Kwazulu Natal Library project	981	(914)	1 600	1 667
Mpumalanga Library project	1 235	(1 183)	-	52
Eastern Cape Library project	1 774	(1 808)	1 666	1 632
Western Cape Library project	140	(814)	900	226
North West Library project	518	(572)	800	746
Northern Cape Library project	836	(882)	1 000	954
Free State Library project	500	(1 489)	1 500	511
Gauteng Library project	1 189	(805)	-	384
Limpopo Library project	-	-	-	-
<u>Department of Arts and Culture</u>				
National Library of South Africa (NLSA)	-	(702)	702	-
Totals	7 173	(9 169)	8 168	6 172

Government grants are recognised in accordance with grant conditions.

10 **Current portion of unspent conditional receipts**

Josie Wood Trust

Balance unspent at the beginning of the period
Conditions met transferred to revenue
Current year receipts
Conditions still to be met at the end of the period

2020 R 000's	2019 R 000's
-	350
(375)	(1 850)
725	1 500
350	-

Unspent conditional receipts is monies received upfront in respect of planned future projects which has not yet been released to the statement of financial performance.

SOUTH AFRICAN LIBRARY FOR THE BLIND
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FOR THE YEAR ENDED 31 MARCH 2020

		2020 R 000's	2019 R 000's
11	Revenue		
	An analysis of SALB's revenue is as follows:		
	Non-exchange revenue	39 604	34 288
11,1	Transfers and subsidies received		
	National Department of Arts and Culture(DAC)	23 533	22 323
	Sub-Total	23 533	22 323
11,2	Gifts, sponsorships and donations		
	Donations and bequests	288	496
	Audio production	67	77
	Josie Wood Trust	375	1 850
	TIGAR Beneficiary (non-cash)	465	336
	Braille production	27	37
	Sub-Total	1 222	2 796
11,3	Transfers and Sponsorships (Other Government Departments and Entities)		
	National Library of South Africa	3 500	702
	Kwazulu Natal Library project	1 691	914
	Mpumalanga Library project	1 427	1 183
	Eastern Cape Library project	2 434	1 808
	Western Cape Library project	919	814
	North West Library project	1 362	572
	Northern Cape Library project	1 028	882
	Free State Library project	1 077	1 489
	Gauteng Library project	949	805
	Limpopo Library project	462	-
	Sub-Total	14 849	9 169
	Exchange revenue	1 271	851
11,4	Other income		
	Sundry income	34	111
	Sub-Total	34	111
12	Interest received	1 237	740
13	Reconciliation of budgeted surplus with the surplus in the statement of financial performance		
	Net surplus per the statement of financial performance	4 670	358
	Adjusted for:		
	- Interest received and fair value gain on investments in excess of budgeted amount	(437)	(146)
	- Actuarial gain on post retirement medical aid provision	(656)	-
	- Donations and bequests received and not budgeted for	(597)	(359)
	- Sundry income received and not budgeted for	(34)	(110)
	- Income received from outside projects not budgeted for	(351)	(336)
	- Expenditure regularised as per approved budget	2 075	951
		4 670	358
	In terms of Para 53(3) of the Public Finance Management Act, 1999, the public entity may not budget for a deficit and may not accumulate surpluses unless written approval of The National Treasury has been obtained. The Library applies for retention of the surplus funds annually.		
14	Administrative expenses		
	General administrative expenses	136	45
	Advertising	-	15
	Insurance	250	220
	Water; Electricity expense DAC/DPW	166	314
	Fees for services:		
	General	9	34
	Board expenses	210	97
	Corporate governance	50	43
	Legal fees	4	69
	Stationery and printing	65	96
	Bank & Other Finance charges	59	105
	Training and staff development	356	194
	Total	1 305	1 232

SOUTH AFRICAN LIBRARY FOR THE BLIND
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	2020 R 000's	2019 R 000's
15 Staff costs		
Wages and salaries	9 704	9 616
Basic salaries	7 825	7 947
Annual bonuses	659	632
Housing allowance	572	560
Temporary staff	278	140
Leave gratuity	324	281
Post retirement medical benefits (Refer to note 6)	46	56
Senior Management (Refer to note 20)	2 024	2 224
Director/Chief Executive Officer	929	1 299
- Pensionable salary	501	836
- Non-pensionable salary	242	181
- Bonus	72	70
- Housing allowance	9	14
- Other employer contributions	105	198
Chief Financial Officer	1 095	925
- Pensionable salary	659	622
- Non-pensionable salary	201	83
- Bonus	55	52
- Housing allowance	15	14
- Other employer contributions	165	154
Defined contribution plan expenses	2 179	2 193
Social contributions (employer's contributions)		
Medical	830	850
UIF	71	73
Pension	1 240	1 227
Other salary related costs	38	43
Total	13 907	14 033
Salary costs associated with book production process capitalised as Intangible Assets under note 3. During the year the Director, Mr Hendrikz, applied for Medical Boarding and this was temporarily approved from 1 November 2019 whilst the process was being finalised. Mr Hendrikz informed the Board during March 2020 that the medical boarding process was finalised and approved and that he will therefore terminate employment through this process as at March 2020. The Board held a special meeting and appointed internally Mr Ramcharan (CFO) to act as Acting Director from 1 November 2019 and furthermore that Mr de Lange (Head H.R.) and Mr Nquma (Accountant) jointly act in the post of CFO until the finalisation of the respective processes. The filling of the Director post will commence in the 2020/21 period. The acting allowances paid collectively for Mr de Lange and Mr Nquma amounted to R170 000 for the 2019/20 period (it being noted that they held no executive decision making authority), and is included under the basic salary disclosure; whilst the acting allowance for Mr Ramcharan, R104 000, is included under the non-pensionable CFO disclosure note.		
16 Marketing costs		
General marketing expenses	2 725	2 749
Total	2 725	2 749
17 Audit fees		
Audit fees	658	735
Total	658	735
18 Other operating expenses		
Consultants, contractors and special services	493	349
Loss on foreign exchange	95	-
Daisy Player expenditure	2 191	1 798
Tactile book project	2	2
Eastern Cape Library Project	2 434	1 808
Kwazulu Natal Library project	1 691	914
Mpumalanga Library project	1 427	1 183
Western Cape Library project	919	814
North West Library project	1 362	572
Northern Cape Library project	1 028	882
Gauteng Library project	949	805
Free State Library project	1 077	1 489
Limpopo Library project	462	-
National Library of South Africa Library project	-	702
Library and information services	96	99
Josie Wood Trust	-	1 850
Book production services: audio and Braille (non capital cost)	177	198
Repairs and maintenance	494	461
Property and buildings	65	159
Motor Vehicles	39	33
Equipment	390	269
Research & Development	-	52
Tools and Consumables	10	-
Travel and subsistence	639	331
Courier and delivery charges	42	31
Communication costs	274	291
Operating lease expense: equipment (Refer to note 18.1)	88	96
Total	15 950	14 727

SOUTH AFRICAN LIBRARY FOR THE BLIND
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		2020 R 000's	2019 R 000's
18	Other operating expenses cont.		
18,1	Operating leases: Equipment		
	Analysed as follows:		
	Minimum operating lease rentals	210	94
	Contingent operating lease rentals	-	-
		210	94
	SALB rents equipment under a non-cancellable operating lease for 60 months with the option to renew.		
	Future commitments (including VAT) under non-cancellable operating leases are summarised as follows:		
		R 000's	R 000's
2020		Within 1 year	2 - 5 years
	Minimum future lease payments	61	149
			210
2019		Within 1 year	2 - 5 years
	Minimum future lease payments	28	66
			94
	Escalation clause		
	There is no escalation clause.		
19	Reconciliation of surplus / (deficit) to cash flows from operating, investing and financing activities		
19,1	Cash flows from operating activities		
	Surplus before interest and other gains	2 858	(1 065)
	Adjusted for:		
	- Increase in employee benefits	46	56
	- Depreciation/Amortisation (Refer to notes 2 and 3)	2 137	2 086
	- Non-cash revenue from TIGAR beneficiary	(465)	(336)
	- Non-cash revenue from foreign exchange transactions	-	(47)
	- Non-cash writeoff i.r.o. abil retention ABSA	-	45
	- Non-cash flow increase in provisions	21	-
	Operating cash flows before working capital changes	4 597	739
	Changes in working capital		
	- (Increase) in trade and other receivables	(268)	(61)
	- (Decrease) / Increase in trade and other payables	(730)	189
		(998)	128
	Cash generated from operations	3 599	867
	Interest received	1 335	642
	Cash flows from operating activities	4 934	1 509
20	Related party transactions and balances		
	The two buildings occupied by the South African Library for the Blind are owned by the Department of Public Works(DPW) and have been occupied on an open ended lease with no fixed term. Municipal services charges are paid to DPW whom administers the account on behalf of the Library.		
	Related Party transactions		
	Department of Arts and Culture - transfers and subsidies received	23 533	22 323
	Public Works re-imbursed expenditure for Municipal Charges expense for the building.	166	314
	Department of Arts and Culture - project grant income	11 349	8 467
	National Library of South Africa - project grant income	3 500	702
	Key management personnel		
	Refer to note 15 for remuneration paid to CEO and CFO.		
	Board members		
	Board fee	81	41
	<u>Board Term : 1 April 2016 - 30 Sept 2019; 1 October 2019 - 30 Sept 2022</u>		
	R Rowland	14	16
	M Watermeyer	-	2
	JS Matsebula	7	5
	S Neeruph	7	6
	E Ramaoka	6	4
	N Ravgee	8	7
	Z Phakathi	-	1
	M Masutha	12	-
	M Mphidi	7	-
	M Buthelezi	7	-
	D Maraka	7	-
	M Kganedi	6	-
	Related Party balances		
	Refer to note 9 for the balance of unspent conditional grants. All grants relate to the Department of Arts and Culture (DAC).		

SOUTH AFRICAN LIBRARY FOR THE BLIND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

21 Statement of Comparison of Budget and Actual Amounts

21,1 Basis and Period of Budget and Actual Amounts

The accounting basis used for budget presentation purposes is the accrual basis. The classification basis used is derived from internal Management functionality reporting which is closely aligned to the National Treasury quarterly reporting template. The period of the approved budget is for the 2019/20 financial year with comparative actual expenditure shown for the 2018/19 period. The adjustments to the original approved budget were duly approved by the Accounting Officer as delegated by the Accounting Authority. There were no irregular or fruitless/wasteful expenditure that was incurred in the reporting period.

21,2 Major Variances in Statement of Comparison of Budget and Actual Amounts

Interest received in excess of budget amounted to approximately R 437 000. The Library conservatively budgets for this class of income.

There was an additional amount received in excess of budget amounting to R 972 000 which was received from Gifts, Sponsorships and Donations. The Library conservatively budgets for this class of income as it is not guaranteed and can vary from year to year.

The Mini-Libraries project funding from the nine Provinces was not fully utilised due to staff turnover amongst other factors, as well as receipt of funding from some Provinces being received later in the year. It will be requested that the overall savings of R 351 000 will be retained and used during the 2020/21 period.

There was an actuarial gain of R 656 000 on the provision for post-retirement medical aid fund.

There were savings on Library and Production costs amounting to R365 000 due to capitalisation process of books.

There were savings achieved on Marketing costs of R1.2m, as centenary funding was received from the DAC through NLSA which was utilised first, thus resulting in a saving on the use of internal surplus funds for this purpose.

There were also minor savings achieved on various other items of expenditure.

Internal income (surplus funds) were utilised to support the budget for the year. This was with the approval of National Treasury through the requisite processes.

22 Risk management

Interest rate risk / current investment risk

The current account and the investment account expose the Library to cash flow interest rate risk. Deposits attract interest at a rate that varies according to the prime banking rate / fluctuations in the financial sector/market.

The Library manages this interest rate risk by ensuring that all surplus funds are invested in fixed/call rate instruments and by maintaining the minimum possible balance in the current account. The interest rates on the fixed/call deposits are fixed, but vary from investment to investment.

Currency risk

The library undertakes certain transactions denominated in foreign currencies, either directly through the import of goods and services, or indirectly through the award of contracts to local importers which are priced in foreign currency. These transactions were mainly for playback devices, book titles and spares.

Stringent cash management procedures are in place. These include cash flow forecasting. A sensitivity analysis has not been performed and included as the Library is exposed to foreign exchange risk on a limited basis, as payments to the major foreign suppliers, RNIB and Humanware, are generally made in advance.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and debtors. The Library only deposits cash with major banks and financial institutions which have high quality credit standing and limits exposure to any one counter-party.

Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of debtors is provided for under note 4 to the financial statements. The maximum exposure to credit risk is the cash balance at bank and debtors, which may increase as a result of non payment by debtors or the bank.

Trade Receivables

Management evaluates credit risk on an ongoing basis. Factors such as past experience, payment history, the relationship with the debtor/customer and agreements are taken into consideration. No collateral is held for any debtor. Management is of the opinion that debtors disclosed at year-end are fully recoverable.

Liquidity Risks

The Entity's risk to liquidity is a result of the funds available to cover future commitments. Management evaluates liquidity risk through an ongoing review of future commitments and credit facilities. Management further manages the risk by monitoring its cash flow requirements. Management is of the opinion that the net carrying value of the liabilities approximate their fair value and that the entity has sufficient resources to settle its short-term liabilities.

Fair Value

At 31 March 2020 and 31 March 2019, the carrying values of financial instruments reported in the financial statements approximate their fair value.

Financial Assets carried at Amortised Cost

Cash and Cash Equivalents	22 219	20 570
Trade and other Receivables from exchange transactions	3	-
Other Current Financial assets	8	106
Current Investments	-	-

Financial Liabilities carried at amortised cost

Trade and Other Payables from exchange transactions	1 864	2 594
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Liquidity Risk

	Less than 12 months	Greater than 12 months
As at 31 March 2020		
Trade Payables	396	-
Leave Gratuity accrual	1 041	-
Bonus Accrual	427	-
As at 31 March 2019		
Trade Payables	949	-
Leave Gratuity accrual	1 166	-
Bonus Accrual	479	-

SOUTH AFRICAN LIBRARY FOR THE BLIND NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

23 Segment Reporting

1. The South African Library for the Blind (SALB) has identified the following services to be reported on as segments: Library Information Services; Audio Production and Braille Production (incorporating National Braille Consultancy). These three services are the core sections of SALB and meet the criteria set out to be disclosed as a reportable segment. The other services are more administrative in nature and will thus form part of the unallocated/central total. Furthermore only expenditure and specific sectional production assets are reported separately and reviewed for each of these segments, whilst revenue and liabilities are all central/unallocated.

2. Information reported about these segments are used by management as one of the basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments are also considered appropriate for external reporting purposes.

3. SALB has a National focus and we cannot distinguish our reporting per Geographic Area as the information is not classified as such in our records and it is not feasible for SALB to consider this approach. We do have partnership programmes with Provinces(Mini-Library Projects); however as we act as "advisors" only, we are not reporting on this (the relationship is mainly to assist the Provincial Libraries to cater for blind and visually impaired people in the identified Libraries; the resources/infrastructure do not belong to SALB; and hence the rationale not to report Geographically or separately on this). Furthermore, expenditure incurred on the Mini-Libraries are fully reimbursed by the relevant provinces.

2019/20 Financial year	Library Information Services	Audio Production	Braille Production including National Braille Consultancy	Total
	R 000's	R 000's	R 000's	R 000's
Revenue				
n/a	-	-	-	-
Total segment Revenue	-	-	-	-
Expenses				
Salaries and wages	(3 881)	(3 315)	(3 308)	(10 504)
Licences - Library System	(232)	-	-	(232)
AP CD Casings	-	(66)	-	(66)
AP CD's	-	(23)	-	(23)
BP Paper	-	-	(43)	(43)
Other	(106)	(15)	(32)	(153)
Total segment Expenses	(4 219)	(3 419)	(3 383)	(11 021)
Total segment Deficit	(4 219)	(3 419)	(3 383)	(11 021)
Interest Revenue - Unallocated	-	-	-	1 237
Other gains - Unallocated	-	-	-	477
Other unallocated/central Revenue	-	-	-	39 638
Interest Expense	-	-	-	-
Depreciation and amortisation - unallocated/central	-	-	-	(2 137)
Other unallocated/central Expenses	-	-	-	(23 524)
Surplus for the Period				4 670

Assets				
Segment assets (production process)	-	43 326	29 458	72 784
Unallocated/central assets	-	-	-	26 537
Total Assets				99 321

Liabilities				
Segment liabilities (n/a)	-	-	-	-
Unallocated/central Liabilities	-	-	-	12 402
Total Liabilities				12 402

Other Information				
Capital expenditure - unallocated/central	-	-	-	6 351
Accrued expenditure - unallocated/central	-	-	-	32
Deferred revenue - unallocated/central	-	-	-	8 773

NB : There are no inter-segmental transactions and therefore no eliminations required.

24 Non-Adjusting Subsequent Event (COVID-19)

Most users of this financial statements are aware of the Covid-19 pandemic through the various addresses to the nation by our President and the information sharing sessions by various members of the Ministerial Advisory Committee on the Coronavirus Disease. The Library Management has ensured the necessary health and safety precautions are in place and that any major risks are mitigated. With that being said, due to the nature of the virus, there will be times whereby interruption to services will be enforced, however these will be carefully controlled and monitored. For the purpose of this financial period under review, no major impact is anticipated. The Department has assured Management the future subsidy funds to the Library will not be detrimentally affected and therefore there is no risk on going concern. Expenditure is in line within budgeted resources. R 2 000 was spent in 2019/20 on COVID-19 related expenses.

25 Accounting Authority

From 1 October 2016 to 30 September 2019

Dr WP Rowland; Ms JS Matsebula, Ms VG Nyamathe, Mr MS Watermeyer
Mr X Yekani; Dr S Neerpath; Ms E Ramaoka; Mr N Ravgee; Ms Z Phakathi

From 1 October 2019 to 30 September 2022

Adv M Masutha, Dr H Mphidi, Mr M Buthelezi, Ms M Kganedi, Mrs D Maraka
Mr X Yekani; Dr S Neerpath; Ms E Ramaoka; Mr N Ravgee.

Senior Management

Mr Francois Hendrikz (CEO/Director)
Mr Yasheen Ramcharan (CFO)

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JH Herdman	2 200,00
Alisa Mann	2 750,00
MJ Beswick	3 000,00
Set-Portel WW Richardson	5 766,05
Rosser Charity	8 847,90

ACKNOWLEDGEMENTS

The Board and Management of the South African Library for the Blind wish to express their gratitude to the Department of Arts and Culture, who ensure that the subsidy received by the Library enables it to provide a sustainable and indispensable service to the blind and print impaired community of South Africa in the medium to long term. Their continued support is greatly appreciated.

PASA (Publishers Association of South Africa), as the representative body of the South African publishers, is acknowledged for their ongoing support and belief in providing reading material and content to blind and visually impaired people of our population in accessible formats.

Many of the Library's objectives and specific projects would not be possible without the continued and generous support of our donors which include all bequests received. These donations make it possible for the Library to add value to the services and products offered by the Library to our members.

A warm special thank you is extended to our valued team of volunteer narrators, transcribers, copy-typists and proofreaders. Without your commitment and loyal support, the major part of our book production would not be possible.

Finally and most importantly, sincere appreciation is extended to the staff of the Library - a dedicated team of people who strive for excellence at all times. Keep up the good work and thank you very much for your contribution.



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